

The NATIONAL UNDERWRITER

Life Insurance Edition

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Men with family ties buy most of the hundred and ten billions of life insurance carried by Americans. Life insurance is a modern method of expressing love and chivalry. Life insurance is closely associated in everyone's mind with altruism and all the human qualities that the world admires.

And the considerate employer who makes group insurance available to employees is expressing altruism in modern terms and acquiring for his business the reputation of possessing these finer qualities. He is promoting the family spirit in his organization.

THE TRAVELERS INSURANCE COMPANY

HARTFORD, CONNECTICUT

ALL FORMS OF GROUP INSURANCE

FRIDAY, MARCH 11, 1938



AETNA LIFE INSURANCE COMPANY

MORGAN B. BRAINARD, PRESIDENT . . . HARTFORD, CONNECTICUT

88th Annual Statement, December 31, 1937

CAPITAL STOCK \$15,000,000

ASSETS

CASH ON HAND AND IN BANKS	\$ 18,386,784.18
REAL ESTATE (INCLUDING HOME OFFICE BUILDING)	38,011,810.67
MORTGAGE LOANS	59,484,524.91
*BONDS AND STOCKS	367,860,593.65
LOANS SECURED BY POLICIES OF THIS COMPANY	70,284,678.52
PREMIUMS IN COURSE OF COLLECTION AND DEFERRED PREMIUMS	16,757,263.98
INTEREST DUE AND ACCRUED	6,433,405.66
MISCELLANEOUS ASSETS	53,269.29
TOTAL ADMITTED ASSETS	\$577,272,330.86

LIABILITIES

RESERVE UNDER POLICY CONTRACTS	\$491,449,250.55
PREMIUM RESERVE, ACCIDENT AND LIABILITY DEPARTMENT	6,655,795.09
RESERVE FOR CLAIMS AWAITING PROOF AND NOT YET DUE	11,116,615.44
RESERVE FOR LIABILITY AND WORKMEN'S COMPENSATION CLAIMS	12,532,000.03
RESERVE FOR DIVIDENDS PAYABLE TO POLICYHOLDERS	6,902,742.66
PREMIUMS PAID IN ADVANCE AND OTHER LIABILITIES TO POLICYHOLDERS	6,693,493.15
TOTAL LIABILITY UNDER POLICY CONTRACTS	\$535,349,896.92
RESERVE FOR TAXES NOT YET DUE	3,568,308.90
MISCELLANEOUS LIABILITIES	3,027,518.18
CONTINGENCY RESERVE	2,000,000.00
TOTAL LIABILITIES	\$543,945,724.00
SURPLUS TO POLICYHOLDERS:	
CAPITAL	\$15,000,000.00
SURPLUS	18,326,606.86
TOTAL	\$577,272,330.86

* Bonds not in default are carried at amortized values; bonds in default and stocks are carried at market values except stocks of affiliated companies which are carried at their own book value.

The NATIONAL UNDERWRITER

Forty-second Year—No. 10

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MARCH 11, 1938

\$3.00 Per Year, 15 Cents a Copy

Southland Life and Gulf States Are Consolidated

Former Name Continued With Latter Interests Holding the Control

DALLAS — Consolidation of the Southland Life and the Gulf States Life of Dallas Tuesday as a result of acquisition of control of the former by interests identified with the Gulf States brought into being a new company which takes immediate rank as the fourth largest life company domiciled in Texas.

The new company, headed by A. Morgan Duke, president of the Gulf States, will operate as the Southland Life and will occupy the former home office building of that company. The new company started with assets in excess of \$28,000,000 and with insurance in force exceeding \$185,000,000. Both companies made considerable progress during 1937, the Southland ending with \$118,000,000 of insurance and \$22,000,000 of assets and the Gulf States with \$65,000,000 of insurance and \$6,000,000 of assets.

New Officers Announced

Leading executives of the Southland will continue with the new company but the control is with the executive family of the Gulf States. The officers include John W. Carpenter, chairman of board; A. Morgan Duke, president; Harry L. Seay, Sr., chairman executive committee; B. A. Donnelly, executive vice-president; Lewis T. Carpenter, vice-president and general counsel; Homer R. Mitchell, vice-president; John E. Owens, vice-president and chairman of the finance committee; Clarence E. Linz, vice-president; W. C. McCord, secretary; Harry L. Seay, Jr., treasurer; and Drs. Hall Shannon and J. T. Montgomery, medical directors. Of this group Messrs. Carpenter, Duke, Donnelly, Mitchell, Owens, McCord, and Shannon, came from the Gulf States.

The new company will start with capital of \$500,000; free surplus of \$400,000, and unassigned funds of \$200,000.

Made Rapid Strides

The executive committee includes Messrs. John and Lewis Carpenter, Seay, Sr., Shannon, Mitchell, Owens, McCord, Donnelly and Duke. The appointive executive positions will be filled by this committee within a few days.

The Gulf States has made rapid strides in its ten years. It is the outgrowth of the merger of the Trinity Life and Gulf States Security two years ago. Each of these companies had acquired smaller companies previously. The Southland was organized in 1909 and has made steady progress. Harry L. Seay, Sr., is one of the best known life insurance executives in the country having been a president of the American Life Convention. He has been in ill health for several months.

The combined agency force of the two

N. Y. Governor Has a Bear by the Tail in Bank Bill

NEW YORK—With the savings bank life insurance issue making the front pages of New York City newspapers, the evidence is so strong to indicate that Governor Lehman feels a little as if he had got hold of a bear by the tail in coming out so enthusiastically for the Livingston-Piper bill. It was obvious from his message to the legislature and his attitude since that he had no doubt whatever that the proposal would serve a real humanitarian purpose in providing low price life insurance for the poor and that there could be no argument against it except from those moved by the most brazen self-interest.

Yet in his special message to the legislature on savings bank life insurance, after it had appeared that the measure would meet with plenty of justified opposition, it was noticeable that Governor Lehman merely reiterated more forcibly his previous statements about the value of savings bank life insurance rather than making any attempts to answer the objections to it, of which he could hardly have been unaware.

Who Sold the Governor?

A good deal of interest has arisen as to why the proposal loomed up so strong this year as contrasted with its failure even to reach a vote in the legislature at any of the several previous sessions at which it was introduced.

The big difference between this year and other years was of course Governor Lehman's strong appeal for the bill in his annual message to the legislature. This is the first time that a governor has taken any official notice of savings bank life insurance in New York state. But what or who sold the governor on the idea? Mr. Lehman's background is that of banking and finance and until the savings bank life insurance proposal came up he was not known to take any special interest in life insurance.

Governor's Counsel Thought Factor

Those in the best position to hazard a guess believe that the governor's counsel, Nathan Sobel, was the deciding factor in convincing Governor Lehman that savings bank life insurance would serve a great humanitarian purpose and provide cheap insurance for those most in need of low priced protection. It is generally understood that Mr. Sobel drafted the original Livingston-Piper bill.

Another influence in favor of savings bank life insurance has undoubtedly been Charles Poletti, Mr. Sobel's predecessor as counsel to the governor and now a justice of the New York state supreme court. Then, too, the Lehman and Brandeis families have long been friendly and it would be only natural for Governor Lehman to be favorably disposed towards a plan first pioneered by United States Supreme Court Justice Louis

Brandeis when he was a young lawyer in Massachusetts. Some weight must undoubtedly be given to cumulative effect of the efforts of the New York League for Savings Bank Life Insurance which for some years has been pushing the idea even when it seemed a futile cause. A pioneer in this was Miss Susan Brandeis, daughter of Justice Brandeis, though she has taken a less conspicuous part in the last few years. The motivating force in the league at present is Sidney E. Wolff, a New York City cotton broker.

It is worth noting that all the principal backers of the savings bank life insurance movement in New York state have been persons of the highest social motives, genuinely interested in alleviating the condition of the poor. There is no doubting that their purposes are as unimpeachable as their premises are fallacious. The same was true when Justice Brandeis put through the original Massachusetts savings bank life insurance plan more than 30 years ago and it will no doubt be true in other states to which the movement may spread.

Employers' Stand Surprising

One rather surprising angle is the support which certain prominent corporations in New York state have given the plan. Some of these have offered to supply the entire guarantee fund necessary under the Livingston-Piper bill so as to give their employees the benefit of cheap insurance. When it is considered under the Livingston-Piper bill the state is really in the insurance business with the savings bank merely having the role of Charlie McCarthy, it seems astonishing that any large employer would go out of his way to give approval to a step towards state socialism which constitutes a definite slap at private industry.

There are undoubtedly many commodities and services which could be sold over the counter by the state's acting through the savings banks and at a cost which, by eliminating the salesman, would be lower than the present method. It apparently did not occur to the employers sponsoring savings bank life insurance that they were espousing a principle that their own experience had proven to be undesirable and unsound.

Labor Party Influence

The American Labor party has been a strong influence for savings bank life insurance. At one time it looked as if that organization were the silent power that was causing Republicans and Democrats in the legislature to vie with each other in vociferous enthusiasm for Governor Lehman's bank bill. It now looks as if there were some other explanations for the legislature's support, for though the labor party is all for savings bank life insurance it is not making a big issue out of it. If a legislator felt like it he could undoubtedly defy the American Labor party's wishes on this point and not be committing political hara-kiri, even though it is quite likely that the labor party will hold the

Endorsement by Pink of Savings Bank Plan

Passage Seems Assured in New York with Limit of \$3,000 on One Life

ALBANY, N. Y.—Superintendent Pink's unequivocal endorsement of the Livingston-Piper bill this week has virtually killed any lingering hopes of the opponents of savings bank life insurance that the measure would be defeated. Many of the letters and telegrams which have been flooding the state's capitol in protest against the Livingston-Piper proposal have called attention to statements by the insurance superintendent questioning the value and soundness of savings bank life insurance.

Mr. Pink's statement, in a letter to the bill's introducers, Senator J. H. Livingston of Brooklyn and Assemblymen R. Foster Piper of Buffalo, was to the effect that what he had said in his annual report was not intended in criticism of any particular bill but "to frankly and fairly appraise" various possible plans.

Best of Massachusetts Type

"The question now comes flatly as to whether or not I support this particular bill," Mr. Pink wrote. "Various types of savings bank insurance have been under consideration, one of which would not be subject to criticism from an insurance standpoint. The sponsors of the bill have decided to disregard that form of savings bank insurance and follow rather closely the plan as carried on in Massachusetts. Except for the question of limitation of amount on one life, it meets the suggestions of the superintendent as fully as it can be if the Massachusetts type of savings bank insurance is to be so closely followed."

The reference to a type of savings bank insurance "which would not be subject to criticism from an insurance standpoint" is presumably to the plan, advanced by the savings banks themselves as preferable to the Massachusetts system, of establishing a central corporation which would issue policies, the banks acting as agencies.

(CONTINUED ON PAGE 13)

balance of power in the state by next election.

Though the Livingston-Piper bill has the ostensible support of organized labor, through the American Labor party's endorsement, there is plenty of objection to it among the members of the C.I.O. industrial agents union, which has its main strength in the New York City area. The American Labor party is much more American Federation of Labor than C.I.O. It broke away from the Socialist party on the ground that the latter was headed in too radical a direction. The C.I.O. attitude, however, is considerably more radical than the socialist party's.

New Gradings by Insurance in Force

Rank 1938 1937	Insurance in Force	Rank 1938 1937	Insurance in Force	Rank 1938 1937	Insurance in Force	Rank 1938 1937	Insurance in Force
1 1	Metropolitan.....\$22,584,093,698	75 73	Bankers, Nebr.....125,467,516	125 137	National Life, Ia.....58,884,124	182 137	Home State, Okla.....27,074,645
2 2	Prudential.....17,546,614,985	76 83	United Benefit.....124,714,901	126 ..	Southern Life & Acc.....58,648,578	183 ..	Imperial, N. C.....26,944,749
3 3	New York Life.....6,770,747,375	77 75	Illinois Bankers.....123,635,293	127 ..	National Life.....58,038,179	184 ..	Expressman's Mutual.....26,725,597
4 4	Equitable N. Y.....6,734,531,661	78 76	Continental American.....123,390,103	128 ..	Capitol, Colo.....57,091,762	185 ..	Columbia, Ohio.....26,329,697
5 5	Travelers.....4,659,517,899	79 77	South Life, Md.....121,502,242	129 ..	Teachers Ins. & Ann.....56,047,253	186 ..	Old Republic Credit.....25,812,411
6 6	John Hancock Mutual.....4,099,237,552	80 78	Southland Life, Texas.....118,433,196	130 ..	Reserve Loan.....55,391,599	187 ..	La Fayette.....25,765,317
7 8	Aetna Life.....3,956,746,669	81 80	West Coast Life.....118,105,902	131 ..	Lutheran Mutual Life.....55,325,207	188 ..	Standard, Miss.....25,732,392
8 7	Northwestern Mutual.....3,859,216,703	82 89	Country Life.....115,310,406	132 ..	Farmers & Bankers.....53,367,722	189 ..	Home Friendly.....25,299,193
9 9	Mutual Life, N. Y.....3,758,762,033	83 82	Home Life, Pa.....114,785,248	133 ..	Philadelphia Life.....53,282,596	190 ..	Conservative, Ind.....25,197,920
10 10	Sun Life, Canada.....2,896,599,103	84 86	Business Men's, Mo.....114,657,544	134 ..	Liberty Life, S. C.....52,625,966	191 ..	Globe Life, Ill.....24,942,351
11 11	Mutual Benefit.....2,032,298,082	85 84	Colonial.....113,838,639	135 ..	Southeastern Life.....50,893,454	192 ..	Ind. 5,395,096
12 12	Penn Mutual.....1,928,474,423	86 91	Provident Life & Acci.....112,046,898	136 ..	Union Co-operative.....50,288,266	193 ..	Columbian Mutual.....24,263,728
13 13	Massachusetts Mutual.....1,911,059,010	87 85	Midland Mutual.....111,621,628	137 ..	Peoples, Ind. 45,335,360	194 ..	Wisconsin.....24,196,746
14 14	New England Mutual.....1,471,806,765	88 96	Protective Life.....108,807,289	138 ..	National Guardian.....48,049,070	195 ..	Provident, N. D.....24,087,355
15 15	Union Central.....1,142,801,072	89 81	Alliance Life, Ill.....107,947,943	139 ..	State Farm.....47,847,342	196 ..	Grp. 87,000
16 16	Connecticut General.....1,127,366,929	90 95	Peoples, D. C.....106,138,066	140 ..	Texas Prudential.....47,723,772	197 ..	Life of Detroit.....23,883,502
17 18	Connecticut Mutual.....979,141,068	91 88	Indianapolis Life.....106,077,790	141 ..	Ind. 47,701,477	198 ..	Fidelity Union.....23,842,927
18 17	Provident Mutual.....961,125,422	92 90	Excelsior, Canada.....106,003,931	142 ..	Ind. 41,115,380	199 ..	Empire Life & Acci.....23,614,707
19 19	Lincoln National.....953,696,951	93 87	Volunteer State.....100,908,201	143 ..	Ind. 7,000	200 ..	All States Life.....23,503,283
20 21	Western & Southern.....868,874,515	94 93	Northern Life, Wash.....100,464,605	144 ..	Ind. 46,769,440	201 ..	Ind. 9,261,812
21 20	Canada Life.....817,192,538	95 94	Baltimore Life.....99,047,624	145 ..	Ind. 584,367	202 ..	Ind. 1,948,900
22 23	General American.....748,027,109	96 99	Equitable, D. C.....98,522,025	146 ..	Ind. 3,802	203 ..	Seaboard.....22,892,571
23 22	Bankers, Iowa.....746,676,908	97 92	Yeoman Mutual.....94,242,427	147 ..	Ind. 584,367	204 ..	Bankers Health & L.....22,697,746
24 25	American National.....671,629,425	98 98	Ohio States.....92,267,059	148 ..	Ind. 45,781,487	205 ..	Midwest Life.....21,628,721
25 26	Phoenix Mutual.....644,629,429	99 97	Security Mut., N. Y.....90,237,600	149 ..	Ind. 45,741,314	206 ..	American Res., Nebr.....21,430,382
26 24	Equitable, N. Y.....606,336,232	100 104	Home Beneficial.....86,262,136	150 ..	Ind. 3,644,186	207 ..	Midland National.....21,044,328
27 32	National Life & Acc.....599,810,646	101 ..	Boston Mutual.....83,078,530	151 ..	Ind. 2,089,100	208 ..	Grp. 531,500
28 27	State Mutual, Mass.....585,578,777	102 ..	Gulf, Fla.....81,961,468	152 ..	Ind. 44,156,964	209 ..	Monarch, Mass.....20,410,532
29 30	London Life, Canada.....583,338,337	103 ..	Amicable.....80,084,313	153 ..	Ind. 43,398,111	210 ..	American Bankers.....20,398,851
30 29	Equitable, Ia.....571,985,070	104 ..	Federal, Ill.....79,063,018	154 ..	Ind. 749,400	211 ..	Church Life.....20,230,975
31 28	Great West Life.....567,149,708	105 ..	Washington Natl., N. J.....78,871,160	155 ..	Ind. 42,173,471	212 ..	Co-operative Life.....19,509,562
32 31	Mutual Life, Canada.....550,578,406	106 ..	Old Line, Wisc.....77,730,261	156 ..	Ind. 41,521,952	213 ..	Paul Revere.....19,075,115
33 34	Manufacturers.....535,953,896	107 ..	Central States.....75,312,729	157 ..	Ind. 26,476,924	214 ..	Standard, Pa.....18,866,644
34 33	National Life of Vt.....533,955,109	108 ..	Union Mutual, Me.....74,181,256	158 ..	Ind. 599,200	215 ..	George Washington.....18,521,022
35 35	Guardian, N. Y.....481,557,511	109 ..	Eureka-Maryland.....73,231,973	159 ..	Ind. 41,249,616	216 ..	Liberty, Kansas.....17,518,339
36 36	Life of Virginia.....476,115,556	110 ..	Knights Life, Pa.....71,832,072	160 ..	Ind. 41,124,620	217 ..	Maryland Life.....16,219,124
37 38	Reliance Life, Pa.....453,561,158	111 ..	Continental Life, D. C.....71,203,985	161 ..	Ind. 59,000	218 ..	Republic Natl., Dallas.....15,752,675
38 37	Kansas City Life.....446,530,497	112 ..	Manhattan.....69,449,423	162 ..	Ind. 39,706,312	219 ..	Cosmopolitan, Tenn.....15,497,187
39 40	Northwestern Natl.....418,536,825	113 ..	Lamar Life.....68,041,393	163 ..	Ind. 39,386,240	220 ..	Pyramid, Kansas.....15,338,285
40 39	Confederation, Canada.....411,141,459	114 ..	Beneficial Life.....67,931,160	164 ..	Ind. 39,255,476	221 ..	Rockford Life.....14,327,689
41 46	Occidental, Calif.....401,933,389	115 ..	Bankers Natl., N. J.....67,519,421	165 ..	Ind. 6,044	222 ..	Western Reserve.....14,145,366
42 41	Acacia Mutual.....387,261,646	116 ..	Liberty National, Ala.....67,144,679	166 ..	Ind. 37,675,642	223 ..	American Savings, Mo.....13,948,247
43 42	Home Life, N. Y.....379,511,099	117 ..	Union Labor.....65,508,378	167 ..	Ind. 37,191,649	224 ..	Pacific National.....13,486,033
44 44	Jefferson Standard.....371,023,157	118 ..	Gulf States.....65,197,422	168 ..	Ind. 37,082,536	225 ..	Policyholders Natl. L.....13,356,821
45 43	Fidelity Mutual.....362,885,947	119 ..	North Amer., Ill.....64,104,706	169 ..	Ind. 36,155,609	226 ..	Great Northwest.....12,647,650
46 45	Southwestern, Texas.....323,052,391	120 ..	American Life, Mich.....62,624,402	170 ..	Ind. 26,137,630	227 ..	Great National, Texas.....12,607,995
47 47	Imperial, Canada.....289,438,142	121 ..	Presbyterian Ministers.....60,275,746	171 ..	Ind. 34,300	228 ..	American Life, Ala.....12,540,293
48 48	American United.....272,167,486	122 ..	Oregon Mutual.....59,791,318	172 ..	Ind. 35,576,372	229 ..	Ind. 2,027,357
49 50	Monumental, Md.....258,086,375	123 ..	Durham Life.....59,352,466	173 ..	Ind. 35,525,728	230 ..	St. Louis Mutual.....11,516,450
50 49	Great Southern, Texas.....242,737,130	124 ..	Central, Ill.....47,000	174 ..	Ind. 35,369,460	231 ..	Virginia Life & Cas.....11,370,203
51 52	Continental Assur., Ill.....225,542,989			175 ..	Ind. 35,222,067	232 ..	Ind. 8,936,897
52 55	Life and Casualty.....219,088,647			176 ..	Ind. 34,562,010	233 ..	State Reserve.....9,900
53 51	Calif. Western States.....218,893,161			177 ..	Ind. 34,402,795	234 ..	Union Life.....10,206,532
54 54	Minnesota Mutual.....212,687,659			178 ..	Ind. 33,506,776	235 ..	Ind. 3,264,668
55 53	Berkshire Life.....208,607,868			179 ..	Ind. 32,828,316	236 ..	United, Ill.....10,131,695
56 56	North American, Can.....202,649,839			180 ..	Ind. 31,832,241	237 ..	Ind. 8,280,259
57 57	State, Ind.....182,368,944			181 ..	Ind. 30,797,396	238 ..	Ind. 410,113
58 60	Crown, Canada.....182,368,944			182 ..	Ind. 30,891,838	239 ..	Great American, Kan.....9,776,478
59 58	Ind. 1,205,000			183 ..	Ind. 30,510,223	240 ..	Modern Life.....9,657,693
60 59	Franklin Life.....175,021,192			184 ..	Ind. 29,836,336	241 ..	American Home, Kan.....9,107,241
61 62	Columbian National.....174,115,698			185 ..	Ind. 29,620,506	242 ..	United Life of Kansas.....9,086,219
62 61	Dominion, Canada.....172,936,447			186 ..	Ind. 29,334,575	243 ..	Grp. 2,555,500
63 63	Shenandoah.....171,217,989			187 ..	Ind. 28,814,887	244 ..	Puritan Life.....9,046,741
64 64	Mutual Trust.....167,889,784			188 ..	Ind. 28,305,529	245 ..	Grp. 1,208,000
65 66	Pan American.....163,408,103			189 ..	Ind. 4,005,591	246 ..	Farmers Union.....8,559,442
66 65	Central Life, Ia.....161,810,575			190 ..	Ind. 1,757,675	247 ..	Grp. 350,200
67 67	Ill. L. Pd. 37,695,549			191 ..	Ind. 2,781,000	248 ..	Central Life, Kan.....8,437,898
68 74	Commonwealth, Ky.....151,676,560			192 ..	Ind. 2,736,366	249 ..	Postal National.....8,329,763
69 70	Mas. Savings Bank.....139,706,498			193 ..	Ind. 2,726,366	250 ..	Grp. 28,825
70 70	N. A. Reassurance.....139,388,300			194 ..	Ind. 2,726,366	251 ..	Bankers Union.....7,669,545
71 72	Guarantee Mutual.....135,412,420			195 ..	Ind. 2,726,366	252 ..	Western Empire.....7,379,686
72 71	Columbus Mutual.....132,720,518			196 ..	Ind. 2,726,366	253 ..	Union National, Nebr.....7,344,632
73 69	Hercules.....131,510,498			197 ..	Ind. 2,726,366	254 ..	Mutual Ins. Co. of Richmond.....7,156,229
74 79	Pilot Life, N. C.....126,214,342			198 ..	Ind. 2,726,366	255 ..	Ind. 7,155,229
	Ind. 41,717,872			199 ..	Ind. 2,726,366	256 ..	North Amer. L. & C.....7,137,410

Total in Force at New High

All three classes of legal reserve life insurance, ordinary, industrial and group, made big gains in insurance in force during 1937 and the combined total reached an all time new high as of Jan. 1, 1938, of over 117 billion dollars—the actual adding machine totals of the reports of 269 United States and Canadian companies received so far being \$117,102,427,312. The nearest approach to this figure was at the end of 1931 at which time there was some 114 billion, 250 odd million in force in 310 companies. These figures are from the advance reports of the companies to the Unique Manual-Digest, published by THE NATIONAL UNDERWRITER and represent a gain of over 5½ billion dollars above January of 1937 when the figure was slightly over \$111,470,000,000 for 265 companies. In January, 1936, 273 companies had \$106,335,000,000; in 1935, 276 companies had \$104,277,000,000; in 1934 the figure was \$103,220,000,000 and in 1933, \$108,291,000,000

Ordinary insurance in force as of Jan. 1 totalled \$82,897,049,865, the highest since the end of 1931 when it stood at slightly over 84 billion. Last year the figure was slightly less than 80 billion, the gain this year being about 3.62 percent.

Industrial Gained 6.17 Percent

Industrial insurance likewise made big gains in 1937, exceeding its performance of 1936 and reaching another all time new high of \$20,597,588,491. At the beginning of 1937, there was about \$19,400,000,000 industrial in force, the all time high figure up to that time. The percentage gain in 1937 for industrial was 6.17. Group insurance, too, scored a large advance, attaining an all time high of \$13,607,788,956, a gain of about 1½ billion over last year's previous high record of 12 billion, 100 million. The percent gain for group in 1937 was 12.45.

The same 16 companies as a year ago

(CONTINUED ON PAGE 21)

able Jan. 1, 1937 figure—1938 figure not available at press time.

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The same 16 companies as a year ago (CONTINUED ON PAGE 21)

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Little Gem Chart, Soon Ready, Has New Refinements

Many Additional Features Enhance Value of 1938 Edition

The guaranteed incomes payable under settlement options shown in greatly improved form and right with rates, values, etc., a new section thoroughly covering juvenile insurance, improved and additional illustrations of the years required to pay up or mature contracts through dividends—together with the accumulations and additions for 10 and 20 years, are among the numerous outstanding features of the new 1938 model Little Gem Life Chart which will be off THE NATIONAL UNDERWRITER press before the end of March. Important improvements and additions have been made in the illustrative basic settlement option tables. These tables together with the exact guaranteed income figures are extremely valuable in planning and presenting appealing programs and focusing attention on "needs."

The new edition of this popular book of sales making facts and figures has been built from cover to cover with the object of providing what the man in the field wants in a form, easy to locate quickly.

Convenience of the User

Convenience of the user is considered in preparing each illustration. Even the size of type used in it is selected for legibility and practically all its pages read the natural way (horizontally) to obviate the necessity of constantly twisting the book. Special attention is devoted to emphasis of the income idea to help in the sale of larger than average-sized policies.

More and more field men are realizing the many strictly non-competitive and sales-making uses of the Little Gem and that these uses are much more important than "trying to beat the other company." Obviously today most of the best prospects are policyholders and have some insurance in "other companies." One of the field men's best sales methods is to show these prospects what can be done with their present life insurance. People are especially interested in what is already theirs, even if it is life insurance, and particularly when something new about it can be shown them. The Little Gem is packed full of such data and logically leads into the prospect's needs and desires, usually opening the way or at least the need for additional insurance.

Exact Values Always Helpful

The showings of values at retirement ages and guaranteed incomes under settlement options are especially valuable in this sort of work because irrespective of whether the field man is devoted to elaborate programming, to "package selling" for specific needs, or to some other method of presentation, there are few cases where such data as exact values or incomes are not helpful in making a sale. Likewise, the remarkably flexible illustrative tables of incomes, etc., and the showings of the extra "income values" of extra units of insurance and the numerous explanatory examples, are very useful in making quick calculations of the insurance needed to accomplish practically any result that may be desired.

Convenience and careful coverage of the finer points characterize all of the new Little Gem's policy, rate, value, option, and dividend cost pages. Its

(CONTINUED ON PAGE 13)

Estate Tax Decision Covers Has Only Limited Application

At First Thought to Deal With All Life-and-Annuity Combinations; Applies to Relatively Few

WASHINGTON — Confused newspaper accounts of the United States Board of Tax Appeals decision on an investment-type life insurance and annuity contract no longer generally issued has resulted in some erroneous inferences being drawn by life insurance men. The case, that of the commissioner of internal revenue against Everett Morss, involved a contract for which the insured had paid \$42,000 as a single premium, in return for which the policy promised to pay a life annuity of \$1,400 a year and a death benefit of \$40,000. In addition, the contract could be surrendered at any time for at least \$40,000. The Board of Tax Appeals held that no insurance risk was involved and that hence a \$40,000 exemption from federal estate tax to which life insurance payable to a named beneficiary would normally be entitled would not apply.

Combination's Status Not Clear

Newspaper stories failed to point out that the board's decision applied only to these special contracts and not to the more widely sold single premium life insurance and annuity combinations. Nor was it altogether clear that the decision did not apply to payments made to beneficiaries of remainders of refund annuities. Under a 1924 decision these remainders do not share in the exempt status of life insurance. Their commuted values must be included in the gross estate.

What the government's attitude will be toward the single premium life insurance and annuity combinations is still

(CONTINUED ON PAGE 12)

Prominent Educator Being Feted on 25th Anniversary



DR. S. S. HUEBNER

Dr. S. S. Huebner, outstanding insurance educator, author, a founder and dean of the American College of Life Underwriting, is being paid tribute on his 25th anniversary as chairman of the department of insurance of the Wharton School of Finance & Commerce of the University of Pennsylvania.

The "Daily Pennsylvanian," university student publication ran a special four-page insurance issue replete with testimonials by fellow educators, company officials and agents. In its trade paper advertising the Penn Mutual Life features Dr. Huebner's anniversary.

Dr. Huebner has been teaching in

(CONTINUED ON PAGE 12)

Two Service Men Show the Problem and the Solution

Reid Hartsig and J. E. McNeal Give Excellent Advice to Salesmen

HARTFORD — Reid Hartsig and J. E. McNeal, assistant supervisors of the Travelers agency field service, were the speakers at the third meeting of the Hartford Life Underwriters Association lecture course. They gave connected talks on "Finding the Problem" and "Its Honest Solution" respectively, before close to 200 life men.

Mr. Hartsig referred briefly to those agents, the majority of those selling life insurance, who employ the one interview or package method of selling, using a special policy or "particular idea" as the basis of sales presentation. This method of selling usually leaves the buyer with a number of various types of policies from a number of different companies, and bought through a number of agents. All too often his life insurance is inadequate or fallaciously designated.

Program Method of Selling

The agent who would use the multiple interview method or program method of selling must be thoroughly versed on all the features of policy contracts, beneficiary designations, modes of settlement of all companies, the various taxes imposed on estates and inheritance, and the personal and business problems of his prospect.

"Agents who use this method," Mr. Hartsig explained, "seldom make any attempt to sell a policy during the first interview. They capitalize on the previous efforts of the package salesmen. Their strategy is based upon obtaining three objectives in that first interview. These are:

1. To win the confidence of the prospect so that he will be willing to talk freely.
2. To determine what are the prospect's needs and wants for life insurance.
3. To obtain his present life insurance policies for the twofold purpose of (a) coordinating them into a definite plan or program and (b) supplementing them with additional insurance, if necessary to do so—and it usually is."

Questions Are Suggested

The procedure suggested by Mr. Hartsig after the greeting and statement of business is to present to the prospect a typewritten sheet containing a number of questions concerning life policies the prospect might hold and letting him look over these as the agent discusses them with him. These are the questions outlined by Mr. Hartsig:

"1. Is your insurance judgment proof from the claims of possible future creditors of yours?"

Some men have all of their life insurance made payable to their executors or administrators, i. e., to their estate. Whenever this is done the cash value or proceeds of the policies are subject to attachment by any creditors of the insured. Almost all of the 48 states have passed legislation to safeguard a man's life insurance for the benefit of his beneficiaries and to keep it free from claims of his own creditors. But to get this protection, the insurance must not be made payable to his estate.

"2. Do you have a spendthrift trust provision in any of your policies to protect your beneficiaries?"

A spendthrift trust provision is intended to prevent creditors of benefi-

(CONTINUED ON PAGE 11)

THREEFOLD AGE-CHANGE

The foundation is a never-failing prospect list, daily replenished from tips found in the newspapers, gathered from centers of influence, and provided by other usual sources. The second requisite is getting the dates of birth of these prospects. This is done through a preliminary, "mellowing" call or calls, during which, although no sale is attempted, the prospect's interest may be touched and perhaps some desire created; but age change isn't mentioned. Then, about ten days before age change another call is made, to give time for decisive considering and for necessary planning. This is followed, if needed, by the final interview, in which desire for the insurance, plus the urge of long-time premium saving, leads the prospect cheerfully to the dotted line.

This plan is very successfully used by some underwriters; who, of course, do not confine their writings to age-change prospects. They persistently use age-change among their own policyholder clientele, and are trigger-quick in following age-change leads sent from the Home Office.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President.

Independence Square

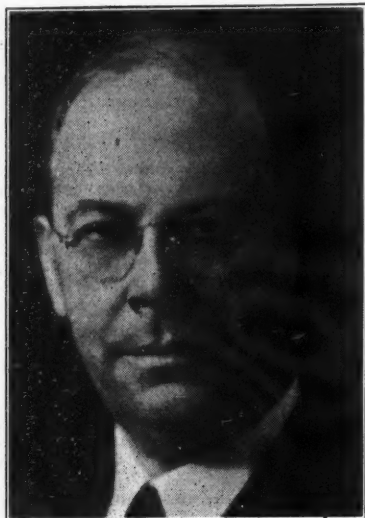
PHILADELPHIA

Taylor Lashes "World Telegram" at Albany Hearing

**Metropolitan Executive Also
Pays Respects to Morris H.
Siegel**

ALBANY—At the hearing before the New York senate insurance committee on the Senator Quinn resolutions to create legislative committees to investigate life companies, Chairman O'Brien announced that inasmuch as it had been reported that because certain industrial agents who appeared at a hearing in New York City and had given their names, had been penalized by their companies, agents would be permitted to speak at the hearing without identifying themselves.

Senator Quinn said he is convinced from what the report of Superintendent



C. G. TAYLOR

Pink does not reveal that there is something wrong with the life companies and that he will continue to demand a sweeping investigation. "I am convinced," he said, "that the economic structure of life insurance companies is wrong. The mere fact that their assets can rise from \$2,800,000,000 to \$4,400,000,000 during the years of depression is proof of this."

Senator Quinn declared he does not see how the savings bank insurance bill would cure the "evils" of industrial insurance.

Taylor and Siegel Speak

The principal speakers were Charles G. Taylor, vice-president Metropolitan Life, and Morris H. Siegel, who spent most of his time denying the allegations set forth by Mr. Taylor. He denied that his insurance "servicing" bureau charges a flat 25 percent of amount recovered on all surrendered policies, stating that this is the charge when a policy has lapsed and his organization assisted in obtaining the surrender value.

Siegel attacked the recent special report of the department on the Metropolitan and characterized it as "not a study but a plea of not guilty." Siegel was called to order several times by Chairman O'Brien for digressing from the subject. Siegel finally moved across the river to the Prudential and charged that company with forcing sales of industrial insurance to keep pace with the mounting cost of funerals, instead "of using the influence of that organization to decrease funeral costs." He stated he is preparing a reply to the recent re-

Government Uncertainties Hold Back Industrial Loans

ST. LOUIS—Fear of what might happen in Washington in regard to regulation of railroads, utilities and other large industries has caused the large life insurance companies to withhold more than \$750,000,000 of their funds from investment in industry, B. J. Perry, president Massachusetts Mutual Life, declared while here for a brief visit.

With Chester O. Fischer, vice president, and their wives, President Perry was en route home from a vacation spent near Phoenix, Arizona.

"Opportunities for profitable investment of insurance funds have diminished appreciably," he said, "and there is a tremendous amount of deferred maintenance and lack of expansion by many industries. All because they lack confidence due to the government's policies."

The competition of the government with many lines of industry has also had its effect on general business conditions he pointed out.

To illustrate this point he said that there is a public utility concern in St. Louis that wishes to spend \$5,000,000 on an expansion program, but that life insurance companies are reluctant to lend the money because they don't know definitely the government's attitude toward utilities.

The current business recession is not to be compared with the depression of 1929-35 because there is a superabundance of money at the present time while back in 1929 credit had virtually disappeared, said Mr. Perry.

port of the department on the Metropolitan.

Mr. Taylor said that he was appearing to make the record clear on certain points that have been the subject of "greatly exaggerated and unfair comment." There are no secrets about the business or anything hidden, he declared. He referred to the sensationalized articles of the New York "World Telegram" on industrial insurance. He pointed out that curbstone comparisons between the cost of industrial and ordinary are unfair because they do not take into consideration different mortality experience, difference in service costs, etc. Likewise comparisons of cost of industrial insurance with the Massachusetts savings bank insurance have been unfair, for one thing because they failed to point out the fact that the system is subsidized to a considerable extent by the state.

Mr. Taylor referred to a dispatch with an Albany date line that was printed by the "World Telegram" stating that rumors are current that the industrial companies "are trying to conclude a deal by which they would withhold opposition to the savings bank bill provided no attempt to investigate industrial insurance is pushed." Mr. Taylor characterized this rumor as "without any foundation in fact." This dispatch referred to a letter written by President L. A. Lincoln of the Metropolitan under date of Jan. 18, 1938.

Complete Fabrication

"This statement of the 'World Telegram,'" Mr. Taylor declared, "so far as the Metropolitan Life and Mr. Lincoln are concerned is an absolute and complete fabrication. I am familiar with the letter of Mr. Lincoln's and the circumstances which led to its writing. We have hitherto opposed the savings bank bills before the legislature because they contained certain manifestly unfair provisions. With the exception of the appropriation for the first year, the principal objections to former bills appear to have been removed. We could not in good conscience have taken any other position than we did take forthrightly and openly. We have not made any contrary representation to anybody; we

(CONTINUED ON PAGE 22)

Acacia Mutual's Course in Social Security Act

**Has Paid the Tax on All Its
Managers and Agents Under
Protest**

WASHINGTON, D. C.—There was a report that the Acacia Mutual Life had voluntarily come under the social security act and therefore regarded its agents as employees. President William Montgomery states that this is erroneous. It has been the belief of his company, he asserts, that its agents under the terms of its agency contract are independent contractors and not employees under the social security act. The status of the Acacia Mutual agents has not yet been ruled on by the government but the company is arranging to make a presentation of its case to support its contention that its agents are independent contractors.

What the Company Has Done

The Acacia Mutual adopted a policy of paying to the federal government and the various states the social security taxes on its branch managers and agents. However, all these payments were made under protest and with the understanding that if the question was finally decided that these are independent contractors and not employees, the taxes paid would be refunded. In making the presentation of the managers and agents contracts to the federal bureau and the state boards, it will also file claims for refund of the taxes paid under protest.

The authorities passing on agency contracts have suggested that the most advantageous plan for a company to follow would be to select a company whose contracts already approved are nearly akin to its own and if such contracts have been approved by the social security board there is no reason for any further negotiations. If later on the social security board would find any deviation or any clause that would change its opinion it naturally would take the matter up with the company whose contracts it had not passed on.

Would Increase Tax 1 Percent

WASHINGTON — Taxes on insurance companies will be increased from 15 to 16 percent under the new revision of the revenue laws reported to the House by the ways and means committee, which explained that this is the only change of substance to be made in the insurance tax provisions of the present law.

The tax is to be computed on the "special class net income" instead of the "normal-tax net income," but except for the change of designation made in order to have the insurance section terms correspond to those in the general corporation tax provisions, the net income is to be calculated as at present.

Section 207, applying to mutual companies other than life, has been rewritten so as to make it definitely a tax-imposing section, but the changes are purely technical.

Reilly Now N. J. Commissioner

With the confirmation by the New Jersey senate of Louis A. Reilly as commissioner of banking and insurance of New Jersey, Mr. Reilly took the oath of office Tuesday in the presence of a large delegation of insurance executives and banking officials.

Annotate Illinois Code

The insurance committee of the Illinois Bar Association is currently engaged upon an annotation of the new Illinois insurance code. This is a laborious task and it is now about 50 percent completed. The work is in general charge of Attorney H. S. Moser of Chicago and Prof. Havighurst of Northwestern University.

Claimants' Rights to Use U. S. Courts Are Sustained

**Pink's Attempt to Simplify
Company Liquidations
Loses in Highest Court**

WASHINGTON, D. C.—Petition of Superintendent Pink of New York for review of a circuit court of appeals decision holding that creditors of insurance companies in liquidation may bring suit in federal courts for recovery of their claims, was refused by the U. S. Supreme Court.

At the same time, the court refused to review another portion of the same decision, sought by S. W. Dempsey, Washington attorney, holding that questions of fact were involved in his claim which should be determined by a district court and refusing his plea that a \$25,000 claim for services should be a preferred claim rather than a general one. Dempsey, however, was granted the right to bring suit in a federal district court for \$11,087 for legal services.

Pink's Argument

The New York insurance superintendent urged that suits of the type authorized by the circuit court would result in his liquidation of insurance corporations being "thrown into confusion and greatly disrupted."

"The very extensive procedure established by the insurance department and the New York courts for the determination of claims is grounded upon the statute, and the necessities of the case require a single control which can be attained only if the federal courts decline to entertain jurisdiction of such suits and remit all parties to the state courts," he contended in his brief.

Explaining how claims are adjudicated under that procedure, he told the Supreme Court that "this entire proceeding is predicated upon the determination of all claims in one proceeding where all creditors can participate in the allowance of all claims."

Expects Much Litigation

"If the decision of the circuit court of appeals is allowed to stand," he asserted, "a large number of creditors may institute similar suits in the federal courts. In such suits it will be impossible to bring in all of the creditors and stockholders, and other creditors will not have the opportunity of contesting the claims asserted in such suits."

"The law of the state of New York gives non-resident creditors and stockholders identically the same rights as residents. There is absolutely no advantage to a claimant suing in the federal court except that he impedes the opportunity of other creditors to object to his claim. On the other hand, suits in the federal courts would entirely disrupt the entire plan under which the department of insurance of the state of New York and the New York state courts are operating in liquidating insurance companies, and such suits would materially increase the expenses of liquidation and delay the distribution of dividends to creditors indefinitely."

Pass Favorite Broker Bill

ALBANY—The assembly has passed and sent to the governor the bill to prohibit officers of domestic life companies from requiring a borrower on a mortgage to negotiate insurance through a particular broker. This bill is known as the favorite broker bill and has been in the legislature for more than 20 years. It passed the assembly with just one dissenting vote.

NEW YORK LIFE INSURANCE COMPANY

A Mutual Company Founded April 12, 1845 . . . Incorporated in the State of New York . . . 51 Madison Avenue, New York, N. Y.

THOMAS A. BUCKNER, *Chairman of the Board*

ALFRED L. AIKEN, *President*

A BRIEF DIGEST OF THE 93rd ANNUAL STATEMENT, DECEMBER 31st, 1937



During the year 1937 the Company paid to policyholders and beneficiaries \$191,000,000, bringing the total of such payments for the past ten years to over *two billion dollars* . . . New insurance issued, \$477,000,000, an increase of \$26,000,000 over 1936 . . .

Insurance in force, \$6,770,000,000, a gain of \$109,000,000 . . . Included in liabilities is a Special Investment Reserve of \$40,000,000, and a Reserve of \$39,900,000 for dividends to policyholders in 1938 . . . Surplus for general contingencies, \$124,000,000.

ASSETS

Cash on Hand, or in Bank	\$64,231,858.43
United States Government, direct, or fully guaranteed Bonds	512,300,999.54
State, County and Municipal Bonds	254,845,789.65
Canadian Bonds	59,771,724.10
Railroad, Public Utility, Industrial and other Bonds	576,334,340.82
Preferred and Guaranteed Stocks	81,644,201.00
Real Estate Owned (Including Home Office)	140,089,034.62
First Mortgage Loans on Real Estate (Including \$2,265,334.31 foreclosed liens subject to redemption)	414,284,562.41
Policy Loans	355,265,818.60
Other Assets	61,581,887.19
TOTAL	\$2,520,350,216.36

LIABILITIES

Insurance and Annuity Reserve	\$2,063,058,950.00
Present Value of Future Instalment Payments	112,255,214.65
Dividends Left with the Company at Interest	107,197,578.67
Other Policy Liabilities	14,915,390.91
Premiums, Interest and Rents Prepaid	11,072,545.41
Miscellaneous Liabilities	2,850,269.51
Special Investment Reserve	40,000,000.00
Reserve for Taxes	4,972,037.23
Reserve for Dividends payable to Policyholders in 1938	39,989,051.00
Surplus funds reserved for general contingencies	124,039,178.98
TOTAL	\$2,520,350,216.36

As prescribed by the State of New York, bonds eligible for amortization are carried at their amortized values. Other bonds and guaranteed and preferred stocks are carried at market values as furnished by the National Association of Insurance Commissioners. \$36,984,088.90 of securities, included above, are deposited as required by law.

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*Educational Counsellor of
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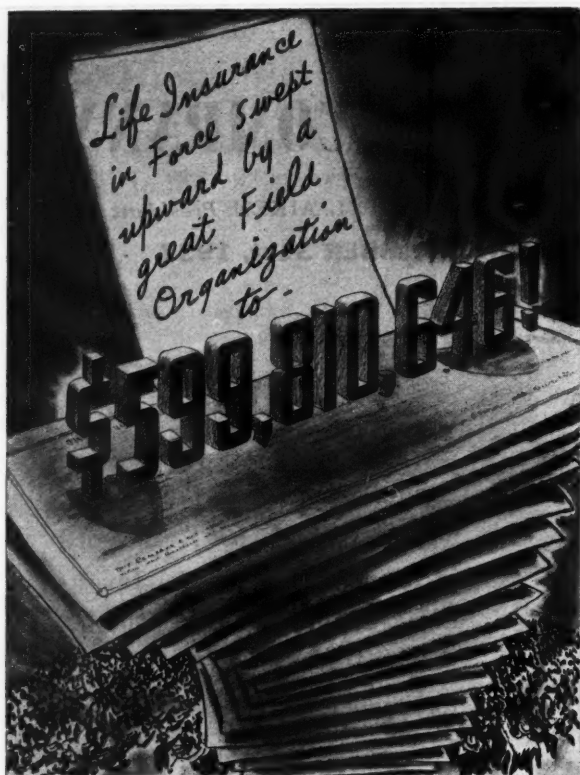
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That's the result of efforts made in 1937 by the 3,500 Shield Men of the Company who represent it in twenty one states, from the Atlantic to the Pacific.

We are proud of them, of course. We have always endeavored to back them up with the sort of organization of which they, too, can be proud. But no words of ours could replace the satisfaction that is their own for a job well done, of value to themselves, their clients and their institution.



The NATIONAL LIFE AND ACCIDENT Insurance Co., Inc.



HOME OFFICE, National Building, NASHVILLE, TENN.
C. A. CRAIG, Chairman of the Board, W. R. WILLS, President



THE SHIELD COMPANY

Social Security Benefits Shown by an Analysis

Dr. B. E. Wyatt, Educational Counsellor, Tells What People May Expect to Get

DETROIT — Social insurance provides one type of security and private insurance another type, Dr. B. E. Wyatt, newly appointed educational counsellor of the American College of Life Underwriters, told the Detroit C. L. U. chapter. He was formerly with the Equitable Society in New York and later obtained a leave of absence to become associated with the social security program in Washington.

Applied to Lower Third

Social insurance provides insurance for groups more or less on a basis of need and paid for more or less on a basis of ability to pay, he defined. While the social security program was designed with a view to taking care of the insurance needs of the lower third of the population, most of whom would not be prospects for ordinary insurance, it is working out to more advantage for the upper third, and will continue to do so for perhaps 20 years more unless the basis is altered, he declared.

The man earning \$3,000 per year or more will receive much larger proportionate subsidies than the man earning \$1,000 per year for the next 20 years at least despite the fact that theoretically the plan was devised chiefly for the benefit of the lesser wage earner. Consequently we have no true social insurance program but rather a hybrid industrial pension plan instead.

About 37,000,000 social security account numbers have been assigned, with some 32,000,000 active accounts. During 1937 social security took in about \$600,000,000 and paid out about \$10,000,000, the remaining \$590,000,000 having been borrowed by the government for running expenses instead of having been set up in a reserve fund.

Mistake is Pointed Out

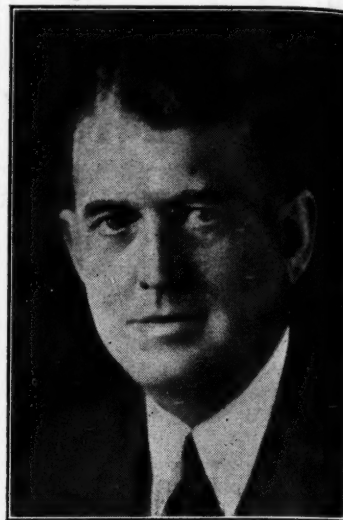
Those who are building long-term programs on the present social security set-up are making a grave mistake, he asserted, since the program is almost sure to be revised many times as the years pass. This has been the history of social security in other countries. Most of the major countries had social security long before the United States did and all of them have revised their programs considerably from the original basis.

Judging by European experience the first major revision will probably be to cut the maximum benefits from \$85 per month down to perhaps \$20 or \$30, a bare subsistence level. The trend has been to reduce the amounts paid and to spread more widely the number of persons covered. This, of course, will pave the way for still more retirement income insurance by private companies.

Insurance folk are all worried somewhat by the savings bank insurance plan, but they need not be unless they are just policy peddlers rather than underwriters. The service that a life underwriter can give his clients can be much greater and more personal than that offered by a bank. More stress upon service is one of the needs of the present day in life underwriting.

He said "we in the underwriting field are attempting to do something for our clients above and beyond anything attempted by the other professions—we are attempting to plan for them for their entire lives and beyond. Consequently it behooves us to know our subject

Elected Trustee



JOHN A. STEVENSON

PHILADELPHIA—John A. Stevenson, executive vice-president Penn Mutual Life, has been elected a trustee. Mr. Stevenson is one of the best known life insurance executives in the country. He was formerly a school man and was director of the first school of life insurance salesmanship in a higher institution of learning, this being at Carnegie Institute at Pittsburgh. He became vice-president of the Penn Mutual in 1931 but entered life insurance executive work with the Equitable Society in 1920.

thoroughly, to be equipped with the knowledge necessary to the correct solution of the complex problems that arise in our vocation. There is no better preparation for a life underwriting career than to take the work leading to the C. L. U. designation.

Cummings at Louisville, Ky.

National Association President Explains Its Three-Year Campaign to Improve Service to Policyholders

LOUISVILLE—O. Sam Cummings, Dallas, president of the National Association of Life Underwriters, addressed the Louisville association Tuesday.

A dinner was given in his honor Monday night by the General Agents & Managers Association, at which Roland Burch, president, was toastmaster.

Explaining the three-year campaign of the National association to "eliminate unqualified and unfit agents, in order to improve service to the policy owner," Mr. Cummings declared the day of the life insurance "peddler" and "part-timer" has passed.

Adopts Rating Device

He said the association has adopted a modern testing and rating device to be used by general agents to improve the caliber of new men. "Life underwriting in the United States is 102 years old but only in the past ten years has it been put on the plane of a profession."

J. Colgan Norman, president of the Louisville association, said it is making efforts to get the national convention for Louisville next spring.

Mr. Cummings argued for the formation of a Kentucky Association of Life Underwriters, stating that 31 states now have such bodies.

He urged the importance of selection of proper material to represent the life agency and the need of purging agencies of material that has proven incompetent and not fitted for the work. He also discussed agency practices agreements, and also fully discussed ethical practices.

Alberta, Can., Social Credit Scheme Thrown Out

Dominion Supreme Court Rules Three Radical Aberhart Laws Are Unconstitutional

Conditions harmful to the interests of life companies and policyholders in the province of Alberta due to the social credit program attempted by the William Aberhart government appear to have been bettered by action of the Canadian supreme court at Ottawa in ruling unconstitutional three of the Alberta social credit bills, including the credit regulation bill to amend and consolidate the credit of Alberta regulation act. The court also ruled the Dominion government had power to disallow provincial legislation and a lieutenant-governor had right to reserve provincial legislation until the governor-general of Canada had indicated his approval or disapproval thereof. This was a major point at issue in connection with enforcement of certain laws in the program of Aberhart, the social credit premier of Alberta.

Mortgage Moratorium

One of the most important sections of the Aberhart program was to prevent hasty foreclosures and to lower individual indebtedness. To this end he proposed a moratorium on mortgages and also to cut down the principal and interest on government bonds. This debt adjustment legislation greatly affected life companies because of their investments in bonds and mortgage loans in the province.

The debt adjustment act abolished right of appeal from an order of a debt adjustment board and required that requests be made to this board for permit to sue to foreclose a debt. The lieutenant-governor was given the power to

postpone payment of all or any debts, liabilities or obligations, existing or future, however arising, or of enforcement of liens of encumbrances or other securities, and courts were prohibited from issuing any processes or extending or otherwise varying exemption privileges to which execution debtors were privileged under the law.

Recomputation of Debts

Recomputation of old debts as of July 1, 1932, was contemplated; no interest would be payable on the debt after that date, and the amount determined due would be payable in 10 annual instalments, effective Nov. 15, 1937. Interest charged on new debts was limited to 5 percent. If instalments on an old debt were not paid, the creditors could not proceed to enforce payment without permit from the board, which might be refused or only partially granted, if the board were satisfied nonpayment was due to circumstances over which the debtor had no control.

There was another bad feature in the municipal securities interest act prescribing such interest should not exceed 3 percent regardless of the terms of any municipal security theretofore issued. Another law stipulated interest rate on all debentures, stocks, treasury bills and savings certificates issued by the province, and all debentures guaranteed by the province, excepting only certain 5 percent debentures of the Alberta & Great Waterways Railway Co., should be reduced one-half, except as to such securities carrying 3 or 3½ percent interest, which would be reduced to 2 percent.

Debt Scheme Modified

The debt adjustment legislation was later modified by an order-in-counsel, so it did not apply to debt owed by corporations in respect of issues of debentures, bonds or certificates loaned on the security of insurance policies, debts owing by those residing outside the province, debts payable under judgments

or court orders made in connection with any proceedings under the domestic relations act, and debts created after Sept. 1, 1936, as a loan by a mortgage lender or vendor of land for payment of taxes, seed, grain, fire and hail insurance premiums or repairs.

Last November the act reducing interest on province of Alberta guaranteed securities 50 percent was held invalid by the Alberta supreme court in a case brought by the Independent Order of Foresters, a fraternal society, to collect interest from an irrigation district. The court held interest rates are vested in federal and not provincial authority.

The credit regulation bill that was invalidated provided for licensing credit institutions in Alberta and placing them under control of local boards that were dominated by appointees of the social credit board.

Aberhart was inducted into office Aug. 3, 1935, on his social credit program promising "credit dividends" of \$25 a month for all adult citizens of the province. Early in 1937 he admitted failure of his program.

Reverse Second Reece Conviction

NASHVILLE—J. I. Reece, former Tennessee commissioner, who has completed a three to 10-year sentence for grand larceny, obtained a reversal by the Tennessee supreme court on the additional three to six year conviction for embezzlement of more than \$16,000 in state funds. The court held that his plea of former jeopardy should have been sustained.

Occidental's K. C. Change

Frank J. McCaslin, manager of the Kansas City branch office of the Occidental Life, has resigned to engage in personal production. The branch office has been consolidated with the Guaranty Life general agency, with John J. Fogarty as branch manager.

Chicago Division Adopts New Code of Ethics

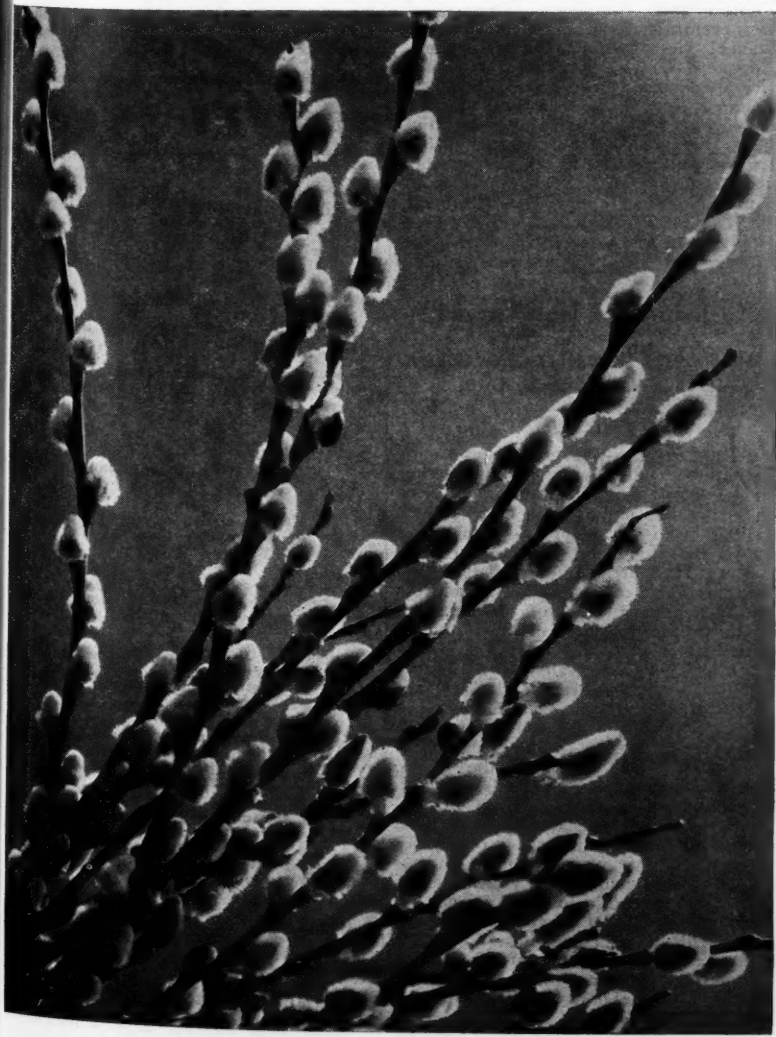
A code of ethics was adopted by the general agents and managers division of the Chicago Association of Life Underwriters, and is now being circulated for signatures. It was drafted by a special committee headed by E. B. Thurman, general agent New England Mutual, and including W. M. Houze, general agent John Hancock; Marc A. Law, general agent National of Vermont; John Dingle, general agent Massachusetts Mutual, and C. B. Stumes of Stumes & Loeb, general agents Penn Mutual, ex-officio as chairman of the division.

The new code will supersede the code adopted two years or more ago, which because of inconsistencies and insufficient signatures was not adhered to. It deals principally with methods of curtailing proselyting of agents, which has been a practice very prevalent in Chicago.

Can't Collect Back Premium Tax on Annuity Business

LINCOLN, NEB.—Insurance Director Smrha, on advice of the attorney-general, has abandoned his previously expressed intention of endeavoring to collect the 2 percent gross premium tax on premiums collected in connection with annuities in past years. The attorney-general said the tax should be paid on annuity premiums as well as life insurance premiums, but that the state, having failed to demand such payment in advance of and as a consideration for licensing a company, cannot now collect from them.

The Nebraska supreme court last April held that the gross premium tax is not a property tax, but an excise tax, levied for the privilege of doing business. This requires advance payments, which if not made are uncollectible later.



There is a promise—

in the pussywillow.

It is the harbinger of new life, new hope, gay days to come.

We owe ourselves a like promise—to make our future brighter, our days gay, more carefree.

There is a promise—

in an insurance program.

It is the herald of financial independence, future happiness, and contentment.

The Girard Life can help you make good that promise.

GIRARD LIFE

INSURANCE COMPANY OF PHILADELPHIA

Opposite Independence Hall

President Fulton Will Honor Home Life Writers

Will Act as Host at Luncheon in Tribute to Seven Outstanding Salesmen

NEW YORK—Seven outstanding salesmen of the Home Life of New York will be publicly honored at testimonial luncheons this month for having achieved leadership in their respective territories in a campaign which opened on Jan. 1 and closed Feb. 28.

This special sales effort was sponsored by President J. A. Fulton who will be the host and speaker at each of the luncheons to be attended by policyholders and intimate friends of the salesman.

Two of the winning salesmen come from the New York metropolitan area. They are R. J. Heller of the Harry Jacoby agency and Mrs. Lillian L. Joseph of the A. G. Joseph agency. In the New England states, M. W. Title of the O'Connell agency in Hartford won, and the winner in the middle-Atlantic states was Paul F. Grove, Jr., of the Holleman agency in Washington, D. C. Paul A.

Hazard, Jr., of the J. F. Ramsey agency in Chicago was the winner in the Great Lakes zone, and he was also the top-ranking scorer of the entire agency force. Fred Schwengel of the G. W. Robb agency in Davenport was the leader in the Mississippi valley area and outstanding in the western states was E. F. Cotton of the P. B. Turner agency in Kansas City.

It was just a year ago that President Fulton was honored by the agency force as they paid tribute to his ten years service with the Home Life. This year, in a reciprocal spirit, he expressed the desire to honor the outstanding salesmen measured by their productive leadership during the first two months of 1938. The company reports that February had the highest paid-for production of any February in five years.

John Hancock at Charlotte

The John Hancock Mutual Life announces the opening of an agency in Charlotte, N. C., with James B. Rowe as general agent. In his early 30s, Mr. Rowe has lived in Charlotte most of his life. He studied at Duke University and the University of North Carolina—and also did post-graduate work at the University of California. He has been a successful life insurance agent in Charlotte for the past three years.

Great-West Life's New President's Club Head



S. J. COHN

S. J. Cohn, Detroit agent of the Great-West Life, whose business production during the year was higher than that of any other United States or Canadian representative, becomes 1938 president of the President's Club and a member of its quarter-million section. Mr. Cohn had previously been president in 1934.

The Great-West Life reports a gain of more than 25 percent in production club membership. Since 1933, for each of the past six consecutive years, an increase in club membership has been recorded. In addition to Mr. Cohn other officers of the President's Club are: Louis White, Toronto 1 branch, first vice-president; H. E. Hunt, Vancouver, vice-president western region; A. H. Thorndycraft, Winnipeg, vice-president west central; F. J. Ritchie, Hamilton branch, vice-president Ontario region; Adonai Meunier, Montreal 1 branch, vice-president, Quebec region; A. T. Folkins, New Brunswick branch, vice-president maritime region; Barney Duff, Flint, Mich., branch, vice-president United States central region. Branch vice-presidents are: W. W. Winteringham, Edmonton; John Sykes, Brandon; F. H. Thiers, Toronto 2; G. P. Battersby, central Ontario; H. C. Abbott, Chicago, and A. P. Hurley, Minnesota.

Life Insurance Not "Saved"

Harris Says It Did More for Government Than Was Done by U. S. on Its Behalf

ST. LOUIS—Charging that some high public officials are still indifferent to the part that life insurance has played in saving this nation from more serious results from the depression that followed the stock market crash of 1929, George H. Harris, public relations officer Sun Life of Canada, in an address before a joint meeting of the members of the St. Louis chamber of commerce and Life Underwriters Association of St. Louis, gave direct answer to a highly publicized talk by Senator Barkley, administration keynoter, who sought to justify the \$10,500,000,000 increase in the national debt by saying that the administration had preserved the banks, insurance companies, railroads, etc.

Mr. Harris pointed out that the national administration through the RFC loaned to some life insurance companies \$43,000,000, of which \$40,000,000 has already been paid back with interest, and that the peak load of \$43,000,000 was only 1/18 of 1 percent of total assets of all life companies.

On the other hand life insurance, for its policyholders (for in the last analysis it is the policyholders who pay all of the tax burdens of any insurance

company) throughout the depression has been paying \$80,000,000 annually in taxes, or approximately twice the entire lendings of the RFC to insurance companies.

"I wonder who has helped whom," Mr. Harris added.

Contrasting the attitude of government to life insurance in England and the United States, he pointed out that while in this country officials are seeking new ways to impose tax burdens on the insurance companies, in England the government permits a man to make special deductions from his income tax returns for the life insurance premiums that he pays up to a total of one-sixth of his income.

And in this country instead of making concessions to persons thrifty enough to provide for the future of themselves and their families through life insurance, a tax of 2 percent is imposed on insurance premiums for the benefit of those who don't protect themselves.

He said that while it still takes some courage to say a word on behalf of big business—since business has been a term of reproach and big business a term of scorn—there is a change of public sentiment in this regard taking place, people becoming a little more indulgent to business.

Fairchild to Ohio State

The Ohio State Life has appointed M. L. Fairchild general agent at San Diego, Cal., with offices at 303 Fifth avenue building. He was with the Connecticut General nine years, four in the agency department at the home office and the rest of that time as general agent in San Francisco. He is a C.L.U. and is prominent in organization work. He is a graduate of Syracuse University and taught classes in life insurance in San Francisco.

Lincoln National Increase

The Lincoln National Life paid for \$26,700,000 the first two months this year, compared to \$20,400,000 the same period of 1937.

NEWS OF WEEK

Superintendent Pink of New York gives unequivocal endorsement of the Livingston-Piper bill in the New York legislature favoring savings bank life insurance. **Page 1**

Report is made on the state of the failed Security Life of Chicago. **Page 16**

Metropolitan Life gives details of new dividend scale for 1938. **Page 22**

New York governor fails to answer critics of savings bank life insurance. **Page 1**

Annual exhibit is given, showing the ranking of life companies at the end of the year by amount of insurance in force. **Page 2**

C. G. Taylor of Metropolitan Life raps critics of industrial insurance at New York legislative hearing. **Page 4**

The Aetna Mutual Life has paid the social security tax to the federal government and state under protest. **Page 4**

President James A. Fulton of the Home Life will be the host and speaker at seven outstanding luncheons tendered to the salesmen. **Page 8**

Radical social credit scheme of Aherhart in Alberta, Can., found unconstitutional by Dominion supreme court in action of three laws. **Page 7**

Social security act is discussed by an expert. **Page 6**

Garbled press reports cause confusion on estate taxation of annuity remainders. **Page 3**

Reid Hartsig and J. E. McNeal, assistant supervisors of the Travelers agency field force, give suggestions to life insurance salesmen. **Page 3**

Gulf States Life has bought the Southland Life of Dallas. **Page 1**

1937 RESULTS

Insurance Issued (Net) \$23,480,519

A Gain, over the year 1936, of 8-3/10%

Increase in Insurance in Force . . \$7,003,208

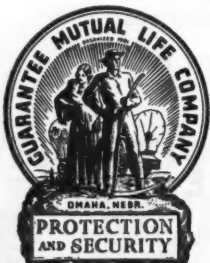
Total Insurance in Force, Dec. 31, 1937

. \$133,412,420

Few American life insurance companies, of our size or even larger, can match the above results for the year 1937. Guarantee Mutual Life Company's Agency force, operating under a result-getting production plan, turned in an outstanding year's work.

WOULD YOU BE INTERESTED IN FULL DETAILS OF THIS PLAN?

If so, direct your letter to
A. B. OLSON, Agency Vice President



**GUARANTEE MUTUAL
LIFE COMPANY**

OMAHA, NEB.

Organized 1901

LICENSED IN TWENTY-ONE STATES AND THE DISTRICT OF COLUMBIA

Advice on Life Trust Cases Given by Basil Collins

Boston Bank Official Addresses New York City Life Under- writers Association

Every mode of policy settlement has its special function and none is appropriate for all cases, Basil S. Collins, assistant vice-president Old Colony Trust Company, Boston, told the Life Underwriters Association of the City of New York in an address on "The ABC of Personal Life Insurance Trusts" at the annual dinner this week.

He said life agents in such matters should not think of commissions but only of the client's interest; they and trust officers should live up religiously to the professional attitude in service rendered to policyholders and trust customers. He noted that life agents and the trust men are actively cooperating now in this work through the life insurance and trust councils, and he expressed the wish that the New York life men soon would put in effect the same cooperative effort.

Big Growth in Trusts

He gave the history of the life insurance trust, dating back to 1869, when he credited the Girard Trust Company, Philadelphia, with establishing the first life insurance trust. It was not, however, until about 1920 that the life insurance trust movement really got under way, he said, and since then it has become nation-wide in scope. It is estimated the total amount of life insurance in force in the United States today is \$16,000,000,000 set up under optional modes of settlement and \$5,000,000,000 under life insurance trust.

All modes of settlement of life insurance come under three heads, he said, lump sum, deferred instalment settlements by insurance companies, and trust settlements by trust institutions. The trust settlement should be recognized merely as another mode of settlement, he said.

Not a Substitute

"It is not a substitute for the modes of settlement offered by the life insurance companies, and should not be regarded as competitive with optional modes of settlement. Life underwriters should acquaint their customers with the special and distinctive functions of all modes of settlement, including the trust, and help them to select the mode best suited to their needs. Trust men, by the same token, should present the life insurance trust as one, but not the only, mode of settlement.

"Each one of these modes of settlement has its place. There are many, many instances in which I as a trust officer have recommended that the life insurance be held by the insurance company and paid out under one of the four options that I have described. There are many instances in which the life insurance proceeds should be turned over to a trust institution and held in trust for the benefit of those named.

Makes Recommendation

"It seems to me there are four situations, or sets of facts, under which we are duty-bound to recommend the life insurance trust:

"(1) When flexibility of administration and the exercise of discretionary power are needed to meet emergencies that cannot be foreseen or requirements of beneficiaries that cannot be provided for beforehand.

"(2) When in connection with business insurance there is need for an impartial and responsible third party to carry out promptly and faithfully the plan under which the insurance was effected.

"(3) When the immaturity, inexperience, or incompetence of the beneficiaries creates a need for the services of a

local, experienced, and impartial financial adviser.

"(4) When the primary purpose of the insurance is to safeguard the estate against complications and shrinkage due to debts, taxes, and administration costs.

Notes Differences

"There are certain basic differences between trusteeship and other modes of settlement, which I think may be enumerated as follows: (1) The introduction of a third party in the process of settlement; (2) flexibility in the terms of payment; (3) exercise of discretion."

A fundamental limitation on the optional mode of settlement, he said, is that there must be during the lifetime of the policyholder a meeting of minds between himself and the life insurance company as to the terms of payment of the proceeds of the policy that he has effected with the insurance company. The terms of payment cannot be left to be determined after his death, they must be found within the insurance policy itself. A second limitation is that by the terms of the policy contract discretion must not be left with the insurance company. There, Mr. Collins said, is the basic difference between the optional mode of settlement and the life insurance trust.

A third basic difference between the trust settlement and the contractual set-

tlement as offered by the life insurance company is that the trustee under a trust settlement may exercise discretion with regard to payment or application of both principal and income of proceeds, while the life company under the contractual settlement may not exercise any such discretion.

There are three basic advantages in the life insurance trust, he said. The first is in the exercise of discretion. This relates to family insurance. The second is exactly the opposite of the first, for in case of business insurance there is needed someone who will not have any discretion—who will carry out promptly and impartially the pre-determined plan of those who effected the business insurance. The third advantage is that through cooperation of the life agent and trust company the customer is given information regarding taxes, accounting, wills, trusts, and collateral matters. This lends an institutional atmosphere of permanence and assurance which gives dignity and integrity to the arrangement and is a sales advantage to the life agent.

Mr. Collins said rights that should be reserved in the trust agreement are: (1) To receive dividends, distributive shares of surplus, disability benefits, surrender values; (2) to obtain loans; (3) to exercise options and privileges under policies; (4) to sell, assign or pledge the

policies; (5) to change the beneficiary; (6) to withdraw the policies. The right to add other policies to the trust should be reserved. Provision should be made for a successor trustee, to cover contingency of merger or consolidation, change of name of a bank, etc.

Large Production Increase

The Philadelphia Life, preparing for the convention at Miami, Fla., March 17-21, announced new paid business in January was 70 percent greater than for January, 1937, and new submitted business 55 percent ahead.

Would Control "Counsellors"

NEW YORK—A measure before the New York legislature that is endorsed by the business puts under strict supervision operations of the growing number of so-called "insurance counsellors." Several of these operators, it is alleged, are former brokers whose licenses were canceled by the department for cause. Barred from seeking business as brokers, they now offer their services as advisers to assured, promising to point out ways whereby a saving in premiums may be effected. They charge a portion of the amount that is "saved."

J. W. Edwards, Dallas, Tex., general agent Great American Life, has a new daughter.

Progress and Stability

For a THIRD OF A CENTURY, the Indianapolis Life Insurance Company has been forging ahead—building solidly, conservatively. "QUALITY, SERVICE and SAFETY FIRST" has been the guiding principle of the Company through the years. 1937 adds another splendid chapter to the Company's book of progress.

SIGNIFICANT FACTS

INCREASE OF INSURANCE IN FORCE IN 1937.....	\$ 5,310,661.00
Making TOTAL INSURANCE IN FORCE (Paid basis).....	106,077,790.00
ASSETS INCREASED in 1937.....	1,757,918.03
Making TOTAL ASSETS.....	20,407,405.25
PAID TO POLICYHOLDERS and BENEFICIARIES in 1937.....	1,429,622.98
TOTAL PAID TO POLICYHOLDERS and BENEFICIARIES SINCE ORGANIZATION	19,038,940.66
MORTALITY CONTINUED VERY FAVORABLE Only 43.6% of the Expected.	
INTEREST YIELD ON ADMITTED ASSETS in 1937.....	4.0%
LAPSE RATIO—while always low, was at a new "low" point in 1937.	
SURPLUS—LARGEST IN COMPANY'S HISTORY.....	1,315,107.00

A REMARKABLE EIGHT YEAR RECORD

From December 31, 1929 through 1937,

ASSETS INCREASED	95.0%
SURPLUS INCREASED	103.0%

In addition to the above gains the Company paid \$12,743,767.56 to policyholders and beneficiaries during these years.

INDIANAPOLIS LIFE INSURANCE CO.

Indianapolis, Indiana

EDWARD B. RAUB, President

A. H. KAHLER, Superintendent of Agents

Opportunities for underwriters in Indiana, Illinois, Ohio, Iowa, Michigan, Minnesota, Texas and California

FIGURES FROM DECEMBER 31, 1937 STATEMENTS

	Total Assets	Change In Assets	Surplus to Policyholders	New Bus. 1937	Ins. in Force Dec. 31, 1937	Change in Ins. in Force	Prem. Income 1937	Total Income 1937	Benefits Paid 1937	Total Disburs. 1937
All States Life.....	1,230,023	+226,882	508,436	10,824,614 ¹	23,503,283	+1,836,530	545,447	754,024	170,951	559,600
American Life, Ala.	973,379	+84,152	385,611	5,866,445	12,540,293	+155,029	301,144	350,036	81,994	311,177
Confederation Life...120,217,479	+7,672,297	4,642,979	48,443,831	411,141,459	+12,641,886	16,307,681	23,823,505	11,113,407	15,692,487	
Contl. Life, D. C....	5,561,910	+808,767	249,270	33,197,753	71,203,984	+7,211,816	2,536,193	2,956,044	575,846	2,188,722
Dominion Life.....	36,835,154	+3,244,699	1,123,061	23,209,436	172,936,447	+8,918,534	5,770,331	8,573,787	2,770,518	4,920,341
Durham Life.....	4,731,929	+629,934	759,580 ³	32,488,989 ⁴	59,352,466	+5,357,216	2,380,865	2,524,189	721,859	1,860,736
Eastern Life.....	1,761,211	+236,561	239,322	2,815,386	13,136,890	+813,444	421,075	479,069	101,727	256,611
Genl. Amer. Life...123,942,534	+896,385	2,524,962	122,282,729 ⁵	748,027,109	+29,301,227	14,334,382	23,745,043	13,677,867	22,895,723	
Guardian Life, N. Y.124,770,586	+9,033,230	5,469,250	49,249,517	481,557,511	+16,625,997	17,074,344	26,817,465	10,286,064	18,179,738	
Kansas City Life...105,242,470	+4,712,184	8,889,495	60,669,698	446,530,497	+10,828,530	13,768,200	19,225,881	9,260,450	14,192,968	
LaFayette Life.....	6,744,723	+250,868	197,506	3,247,701 ²	25,765,317	+1,150,686	734,457	1,163,944	524,926	907,701
Life & Cas., Tenn...	19,297,563	+1,807,659	2,746,236	101,348,672	219,088,647	+21,509,652	7,662,470	8,751,126	2,495,646	7,411,755
Life of Detroit.....	8,363,617	+1,538,308	440,899	6,408,346	23,883,503	-3,645,211	911,072	3,520,143	2,310,606	3,051,878
North Carolina Mut.	5,108,472	+391,869	364,007	18,504,484	41,621,952	+1,495,313	2,141,288	2,424,632	814,782	1,998,190
Prudential.....3,584,334,702	+216,561,018	78,921,786 ⁶	2,427,461,827 ⁷	17,546,614,985	+861,841,456	654,370,389	859,373,271	408,934,722	613,043,008	
State Life, Ind.....	51,648,954	+1,248,270	1,181,417	16,781,030	193,536,549	+623,356	5,733,034	8,938,376	4,841,907	7,617,895
Teach. Ins. & An...80,444,611	+10,056,251	4,159,126	4,982,329	56,047,253	+3,669,732	8,167,323	13,343,821	1,734,575	2,502,374	
Texas Prudential...	2,675,611	+283,038	357,935	15,217,712 ¹	47,723,772	+5,342,030	1,193,420	1,310,320	298,930	364,080
Victory Life, Kan...	9,129,084	+682,234	771,627	2,668,784	37,082,536	-566,495	1,011,700	1,444,290	587,305	918,483
FRATERNALS										
Ancl. Ord. of United Workm., N. D....	11,845,456	-11,456	395,426	3,405,366	49,629,839	-1,712,774	1,416,029	3,970,408	1,485,031	3,578,921
Knights of Colum...	47,512,833	+1,319,713	7,442,762	12,635,354	259,858,629	-1,145,629	3,450,896	6,245,387	2,936,868	4,938,715
Pollak Natl. All...	24,037,367	+643,055	23,139,789	21,861,938	163,716,454	+3,671,318	3,271,614	5,583,843	1,837,231	4,714,773
Security Ben. Ass'n, Kan.	10,070,872	+1,814,607	.....	6,337,431	89,152,666	-2,500,935	3,664,041	4,172,137	1,802,882	2,753,354
¹ Indust. only, ord. \$7,068,667.										
² Includes revivals and increases, ordinary and group.										
³ Includes revived and increase.										
⁴ Includes \$150,000 contingency reserve.										
⁵ Includes revivals \$2,467,039.										
⁶ \$1,970,762 par value or 98.54 per centum of capital stock is now held by V. M. Lewis and A. J. Sinnott, trustees for the policyholders.										
⁷ Contingency reserve against possible excess mortality or loss in securities \$105,742,634.										
⁸ Includes industrial.										

¹Indust. only, ord. \$7,068,667.

²Includes revivals and increases, ordinary and group.

³Includes revivals and increases.

⁴Includes \$150,000 contingency reserve.

⁵Includes revivals, \$2,467,099.

Kentucky, Mississippi and Virginia Change Tax Base

The Kentucky legislature, before adjourning, passed the bill to make the premium tax apply to net direct premiums written instead of net retained premiums. The Virginia legislature

passed a similar law. In both states previously, the tax was on the basis of gross premiums, less return premium, less premiums paid for reinsurance to admitted companies. In both states the returns for 1937 are to be upon the new basis. Those companies that have already remitted have been instructed to give checks for the difference. The Mississippi commissioner has

now called upon the companies to remit for 1937 on the net direct basis. The Mississippi law permits a company to deduct premiums paid for reinsurance to admitted companies if the reinsurer pays the tax on that portion. However, under the recent decision of the United States Supreme Court in the Connecticut General Life case the commissioner has no power to require reinsurers to pay such a tax.

A bill to make the premium tax apply on the direct basis was introduced in the New Jersey legislature at the instance of the New Jersey department and has passed the assembly.

Commissioner Harrison of Arkansas has requested an opinion from the attorney-general on the effect of the Connecticut General Life decision on the premium tax situation in Arkansas. In that state, the tax is upon the net, retained basis. Mr. Harrison states there is no disposition on the part of the companies to dodge the tax and he advises the attorney-general that the companies would not object to a change in the law to provide for a tax on the net direct premiums written. A special legislative session of the Arkansas legislature is scheduled to get under way by March 14 and it is possible that an amendment might be offered at that time.

The California legislature now in special session is considering a constitutional amendment which will change the premium tax basis to net direct writings.

Peninsular Life Secretary

S. F. McDonough has been elected assistant secretary of the Peninsular Life of Jacksonville. He succeeds W. W. Alderman, who desired to return to Virginia. Mr. McDonough is a graduate of the University of Alabama and the law school of the university. He has had considerable training in life insurance and practical experience in the field.

Union Reserve Life Cited

The Union Reserve Life of Phoenix, Ariz., has been cited into the court by the Arizona corporation commission to show cause why it should not be taken over by the commission for the benefit of policyholders and creditors. The order was made on motion of Assistant Attorney General Anderson, on request of President R. F. Marquis and other

officers of the company. The company is owned wholly by the State Securities Corporation, has \$4,903,396 in force on 1,436 policies and has assets of \$233,912. The petition for the order was made after an auditor's report had been made to the company officials, which apparently showed the capital and reserves of the company impaired.

Roscoe in Home Office Post

L. S. Roscoe, who has been assistant general agent in the B. J. Dickson general agency of the Occidental Life in Los Angeles, has been appointed agency assistant in the home office and will spend most of his time on the road. Originally with the Equitable of Iowa in the field and at the home office, and with the Pacific Mutual in the field, he joined the Occidental last June.

Fete Veterans Legion Head

W. J. Roddey, Sr., commander of the Veterans Legion of the Equitable Society was fete in his home city of Rock Hill, S. C., at a banquet commemorating the fact that he has been in the service of the Equitable 50 years. More than 100 attended, including Vice-president W. J. Graham and Commissioner King of South Carolina. Toastmaster was E. R. Jeter, who five years ago succeeded Mr. Roddey as manager of the Rock Hill-Charlotte agency.

B. M. A. Regional Meetings

The Business Men's Assurance has announced its regional meetings, which this year are replacing an all star salesmen's convention. The first will be for representatives east of Kansas City at Lake Wawasee, Ind., the last week in August. Early in September the second, for salesmen west of Kansas City and including Colorado and Utah, will be held at the Broadmoor, Colorado Springs. The other two will be held on the west coast in September.

Connecticut Mutual School

HARTFORD—A two-weeks home office training course for new life men began its second annual session this week at the Connecticut Mutual office. Twenty-five students from all over the country are meeting for seven hours daily under the supervision of Vincent Coffin, second vice-president and superintendent of agencies, and G. F. B. Smith, assistant superintendent of agencies. The course includes subjects such as principles of life insurance, policy contracts, and actual drill in selling, presenting, fitting needs, and programming.

C. R. Walker, agency assistant, and D. B. Westwater, supervisor, as well as many other specialty men in the home office, are assisting with lectures and practical demonstrations.

John Marshall Holcombe, Jr., manager of the Life Insurance Sales Research Bureau at Hartford, spent a week at Ste. Marguerite, Can., where he indulged his love for winter sports.

**ARE YOU
LOOKING FOR A
GENERAL AGENT
at
PITTSBURGH, PA.
?**

ADDRESS H-35, NATIONAL UNDERWRITER

ATTENTION—HOME OFFICES

Man of experience and ability, now General Agent of old line Mid-Western Company at Pittsburgh, Pa. desires position as Home Office Agency Assistant or Division Supervisor. Integrity and experience to satisfy the most critical.

ADDRESS H-36, NATIONAL UNDERWRITER

Modern Life Insurance Since 1845



BACK of the Mutual Benefit man stands a home office with a proved ability to cooperate in the drafting of even minute details of an individual life plan. Back of him also stands a record of stability and fair dealing—a record of sound protection and liberal treatment. The Mutual Benefit has always been more liberal than any insurance law required. Of its own volition the Mutual Benefit pioneered the Principle of Retroaction, which extends so far as possible all new benefits to old policies, making them in effect as modern as the newest.

The Mutual Benefit
LIFE INSURANCE COMPANY
Newark, New Jersey

Two Service Men Show the Problem and the Solution

(CONTINUED FROM PAGE 3)

carriers from attaching the income payable under an income settlement option. It also prevents a beneficiary from assigning or otherwise disposing of the income to another party.

There is a case that illustrates what may happen to the proceeds of life insurance when no spendthrift provision is used. The insured borrowed \$20,000 from his bank. In addition to securities turned over to his bank as collateral to secure the loan, the bank insisted that his wife sign the note as co-debtor. At his subsequent death, the securities were not large enough to meet the indebtedness. His life insurance, which was made payable to his wife in a lump sum, was attached for the amount of the remaining indebtedness.

Some Have Specific Statutes

A few states have specific statutes exempting from claims of creditors of beneficiaries the insurance proceeds retained by the insurance companies under settlement options or trust agreements. If, however, a spendthrift trust clause is incorporated in a settlement option or a trust agreement by a life company domiciled in a state which sanctions a spendthrift trust, such a spendthrift trust will probably be recognized in all of the other states, with one or two exceptions.

"3. In the event of a catastrophe or common disaster, is there a possibility that your life insurance will be paid to your 'in-laws' instead of to your own heirs?"

Cite the case of the husband and wife (no children) being fatally injured in the same accident. Wife survives the insured by a few days. The proceeds of the husband's life insurance will go through his wife's estate to her heirs, even though the husband's mother was named as contingent beneficiary—unless there was a catastrophe clause incorporated in the beneficiary designation.

Other Facts Brought Out

Further questions suggested by Mr. Hartsig would reveal information concerning beneficiary designations, future children, actual monthly income and like provision for beneficiary in event of earlier death of insured, educational funds, funeral expenses, dependents outside of immediate family, waiver of premium benefit, and arrangement to take advantage of inheritance and estate tax exemptions. Another question of particular interest that is often overlooked is whether or not the insured has provided sufficient income for his family during the period that his estate is being probated.

When these questions are answered the problem is left clear. Mr. Hartsig answered the questions hypothetically, and presented a specific case for Mr. McNeal to solve.

McNeal Told of Second Interview

Mr. McNeal spoke as of the second interview. The problem had been presented, and the agent had given it study. He was now ready to present an honest solution to a man fully aware of the problem and anxious to rectify it. Until the second interview, however, the agent has not so much as mentioned what he has to sell, or how much he hopes to sell. There has been no need, and it would be poor psychology to do so, Mr. McNeal contends.

"I like to think of life insurance as the solution to someone's financial problems," Mr. McNeal said. "We must first find out what the prospect's problems are and point them out to him, then we must create in his mind a desire to do something about them. After this is done, we present life insurance as the best answer to his problems—and he must buy from us, if he really wants to solve his problems. Fundamentally the reason for buying is found in the prospect

himself—and not in the contract."

Mr. McNeal reminded his audience that the intelligent agent will not prospect simply for names, but will think in terms of "insurance situations. We should search for situations that we are equipped to satisfy. The name is nothing more than an identification."

"These situations arise out of future needs for money," he said, "and when you sell life insurance you sell 'money for future delivery.' Your problem is to see to it that this money will be delivered not only at time when it is needed, but also in the manner in which it will do the most good. That means, generally, more income settlements and fewer lump sum settlements."

"Thus, to work out an honest solution to the financial problems of our prospects and clients, let us keep two things in mind: (a) We must know their problems, (b) We must know our equipment. The rest is a matter of analyzing the situation with the prospect, of even imagining oneself in his position. Then we must present a solution that will be elastic enough to take care of the problems that arise at death and of those that arise in the course of life equally well. Nothing serves this purpose so well as the higher premium forms of life insurance and income settlements. The kind of contract to buy is one that will provide as much protection as the prospect needs and as much saving as he can afford."

John H. Thompson, general agent Connecticut Mutual Life, was chairman of the meeting. The next speakers in the course are Gordon Kuehner, Travelers superintendent of agencies, and C. P. Dawson, New England Mutual Life, New York.

Declaratory Judgments Are Discussed by Henry Moser

Declaratory judgments in the field of insurance were discussed before the Chicago Life Insurance Lawyers' Club this week by Henry S. Moser, a Chicago lawyer. In effect the declaratory judgment law enables a prospective defendant to bring about a trial of the issues when it might be prejudiced by the prospective plaintiff's delay in bringing suit, or where complex litigation can be avoided.

Declaratory judgments are granted in the federal courts and in the courts of 31 states and three territories.

The laws are new in nearly all states and in the federal courts. The second case decided under the declaratory judgment act by the United States Supreme Court was on an insurance question, Aetna Life vs. Haworth. The Aetna issued life policies with disability provisions. The insured, contending that he had become disabled, refused to pay premiums but took no steps to collect the disability benefit. The Supreme Court held that this was a proper case for declaratory relief and that the Aetna need not wait until suit might be brought on the policies, to have its obligations determined.

Another leading case was Equitable Life vs. Templeton. The group life policy of Southern Railway was cancelled. A number of employees, contending they were not bound by the cancellation, sued the Equitable on claims arising after the cancellation. Declaratory relief was given and incidentally the Equitable was successful on the merits.

The need for declaratory relief arises frequently under automobile liability policies, especially where the injured claimant can carry his claim against the insurance company if the insured fails to pay.

The declaratory judgment apparently cannot be used where there is a simple controversy which can be tried in the ordinary way. However, the courts seem to differ widely on what constitutes the proper circumstances for a declaratory judgment. Mr. Moser reviewed many cases illustrating distinctions drawn by various courts.

92 YEARS of

DEPENDABLE PERFORMANCE



"...family responsibilities increasing"

"...earnings lagging"

Many young married men fit this description.

Many are anxious to learn how they can protect their families.

Many need to be shown their responsibility.

Connecticut Mutual's new booklet in its "Personal Economics" series — "What Is the Family Income Plan?" — points out this problem of the young married man and explains how to solve it most easily.

Connecticut Mutual field men find that the sympathetic and understanding tone of these "Personal Economics" booklets appeals to the public—and *"helps the salesman sell."*

CONNECTICUT MUTUAL

LIFE INSURANCE COMPANY • HARTFORD



*Security and contentment
comes with PLANNED PROTECTION
through—*



*An example of press advertising recently released by the
SUN LIFE OF CANADA*

Recognized everywhere
as

*"One of
The Best"*

**CENTRAL LIFE
ASSURANCE SOCIETY**

HOME OFFICE • DES MOINES

Texas Life Man to Hear Educational Director



EDWARD C. ANDERSEN

"A very major factor contributing to success in salesmanship today is the underwriter's ability to interview prospects 'on a favorable basis,'" E. C. Andersen, educational director of the Connecticut Mutual Life, told the Beaumont and Port Arthur (Tex.) Life Underwriters Associations at a joint meeting.

"To this end," stated Mr. Andersen, "the salesman's prestige is of greatest importance—prestige, derived from past acts which make him favorably known to his prospect, or prestige mechanically produced through the use of 'power leads.' These conditions furnish the right kind of interview, and, after all, of what value is any other kind of interview."

Speaking on "Power Selling," Mr. Andersen is making a tour of Texas under the auspices of the Texas State Life Underwriters Association and will be the featured speaker at 11 local association meetings in March. The Beaumont-Port Arthur meeting was the first meeting addressed by Mr. Andersen in his swing around the state.

The next association to be visited will be Houston, where a joint meeting will be held with the Galveston association. From there, Mr. Andersen will go to Harlingen, Corpus Christi, Austin, San Antonio, Waco and Dallas, ending at Fort Worth on March 17.

While in Texas, Mr. Andersen will also attend agency gatherings of the Connecticut Mutual representatives in Texas: E. F. White agency, Dallas; G. A. Helland agency, San Antonio, and Shepherd agency, Houston.

Estate Tax Decision Has Only Limited Application

(CONTINUED FROM PAGE 3)

an open question. While the Morss decision makes the outlook less favorable for the estate tax exemption of the combination type, there are substantial differences between the dual and single types of contracts.

One outstanding difference is that whereas the single contract provides for a cash surrender value almost as great as the original consideration, purchase of the same annuity income and life insurance protection under two separate contracts provides nowhere so large a cash value, since the latter is limited to the ordinary cash value of a single premium life insurance policy.

The fact that some companies issue the life insurance and annuity combination non-medically is thought by some to strengthen the government's contention that proceeds of the life insurance portion would be subject to inclusion in

the insured's gross estate. However, the government would have difficulty in getting around the plainly stated provision of the estate tax law that life insurance payable to a named beneficiary is exempt up to \$40,000. The single premium life policy issued as part of a life-and-annuity combination is no different from any other single premium policy and obviously meets the requirements of the federal law, even though issued non-medically.

No cases involving the combination contracts are now pending before the Board of Tax Appeals, though some will undoubtedly come before it, as some field examiners of the bureau of internal revenue have attempted to hold that proceeds of such contracts must be included in the gross estate.

Prominent Educator Being Feted on 25th Anniversary

(CONTINUED FROM PAGE 3)

insurance at the university for 34 years. When he started he was the only member of the department's faculty, which now numbers 14. Textbooks were unknown and part of Dr. Huebner's work comprised the preparing of text for his class. By 1906, the importance of the insurance courses, had been so recognized that Dr. Huebner was placed in full charge and the school added advanced life and fire courses to supplement to the courses. Other courses have been added since then.

The first of Dr. Huebner's books, "Property Insurance," was published in 1911.

Dr. Huebner is known to those whom he teaches as "Sunny Sol." As a teacher he has exercised a tremendous influence on those with whom he comes in contact. The "Daily Pennsylvanian" declares "his many students will remember him for more than what he taught them about insurance. They will remember him because he has taught them the basis for fidelity and for sound business ethics."

Born in Manitowoc, Wis., on March 6, 1882, Dr. Huebner was educated at Two Rivers High School and the University of Wisconsin. In 1904 he went to Philadelphia to assume his duties as insurance and commerce instructor at the Wharton School while working for his doctor's degree. He had received his bachelor's and master's degrees from Wisconsin in 1902 and 1903. He received his Ph.D. at Pennsylvania in 1904 and wound up his collection of degrees with a doctor of science from the same institution in 1931. He was promoted to an assistant professor in 1906 and to a full-fledged professor in the insurance and commerce department two years later.

He has served as a special lecturer in New York University, Columbia University and the Philadelphia chapter of the American Institute of Banking.

Kirchmaier Medical Director

Dr. C. T. Kirchmaier, who has been assistant medical director of the Columbia Life, Cincinnati, was elected medical director, succeeding the late Dr. F. B. Cross, Sr. Dr. Kirchmaier has been with the company three years and is a graduate of the University of Cincinnati medical school.

Amend Policy Loan Bill

ALBANY—The bill to provide for a fluctuating rate of interest on policy loans has been amended in the New York assembly to provide for a flat rate on future loans of 4.8 percent collectible in advance or the equivalent effective rate.

Blanks Committee to Meet

W. A. Robinson, actuary of the Ohio department, has called a meeting of the blanks committee of the National Association of Insurance Commissioners, of which he is chairman, in New York May 2-4.

Little Gem Chart, Soon Ready, Has New Refinements

(CONTINUED FROM PAGE 3)

analysis of policy provisions brings out many of the unusual things often overlooked, such as "company practice" where it is more liberal than, or not covered by the policy.

The showings of cash values at retirement ages, a feature originated by the Little Gem a few years ago, which gives actual values at ages 55, 60 and 65 right with the other cash values is especially helpful in selling retirement plans and in programming. Many of these values are not even in the contract itself.

Throughout the new Little Gem is a vast amount of new information on the popular retirement contracts, including cost and value data about them. Special sections are devoted to immediate annuities, juvenile insurance and industrial. Among the various "special" showings are the prominent "special" policies which are thoroughly covered, mortality ratios, rates of interest earned, also interest paid on funds left with the companies, taxes paid, dividend accumulation illustrations, etc.

For over 150 companies, the Little Gem gives the policy provisions first followed by the premium rates of some 12 to 48 or more contracts per company, over 2,500 contracts in all being shown, including retirement and term policies. Disability and double indemnity rates are shown next. Cash values including those at the retirement ages, on six to 12 or more contracts and the showings of exact incomes payable under settlement options, follow.

Net Cost, Net Payment

For participating companies, next come the famous "net cost—net payment" illustrations of the Little Gem. These are the illustrations which have the dividend already subtracted from the rate to save the user's time. Summaries are shown in detail at every age for both 10 and 20 year periods. Ordinary life and popular special contracts are shown for every age of issue, the 20 pay and 20-year endowment forms being shown at 5-year age intervals. Actual dividend histories are also shown.

Along with these showings are the illustrations of the number of years required to pay up or mature a policy and the total amount that the policyholder will pay (an exclusive Little Gem feature). Here also are shown what the accumulations and additions amount to over 10 and 20 years periods. On this same page are the dividends on paid-up insurance and on term policies.

Social Security Exhibit

The new Little Gem presents the important considerations of social security law, particularly as they apply to the institution of life insurance and to prospects. This feature gives tables for quickly determining the amounts of pensions and benefits, and carefully explains the provisions, exclusions, etc., bringing out how the social security act is a foundation on which one may build. The Little Gem covers the industrial field thoroughly, giving provisions, benefits, rates, values, etc., for more companies than any other book. Intermediate and monthly pay contracts are likewise carefully shown.

One of the most valuable features is the five year financial report covering over 200 companies, and giving 20 important items from each company's statement. No other small book gives the financial figures on anywhere near as many companies. An important addition in this part of the Little Gem this year is the showing of taxes other than real estate, paid by the companies for the last several years.

Thousands of agents have found that the extra information which the Little Gem provides, frequently such data as information on local companies not cov-

ered in other books, gives it a most important extra value. Many times has the Little Gem given them some "not-so-common" fact or figure that they suddenly needed which was not obtainable from other pocket size books. Some may have thought the data on additional companies to be of no great value, but numerous letters from users and continually mounting sales have proved the worth of the Little Gem's showing of many companies not given in other books.

Many important changes have been made in the rates in the provisions of settlement options of numerous companies since the last Little Gem was issued, making a new and up-to-date edition vital to progressive agents. Copies of the 1938 Little Gem will be delivered in sequence that orders are received. The single copy price is \$2.50 and company club rates are allowed to all agents. Orders can be sent in to The National Underwriter, Statistical Division, 420 East Fourth street, Cincinnati.

Endorsement by Pink of Savings Bank Plan

(CONTINUED FROM PAGE 1)

Mr. Pink pointed out that the present bill provides a limit of \$3,000 on any one person, "which is a great improvement over the law in Massachusetts which permits a person to take out a \$1,000 policy in each of the 24 banks."

"In view of the high cost of industrial insurance, the large amount of lapses which are costly to policyholders, the evils resulting from high pressure salesmanship and the resulting oversale and uneconomical distribution of policies in the family, which have heretofore been pointed out by me, I am in favor of the bill," Mr. Pink declared.

Though the Livingston-Piper bill was due for action in the senate at the Monday night session, the majority leader, J. J. Dunnigan, held off temporarily, preferring not to risk an adverse vote before he had made a canvass to be sure he had enough votes to insure passage.

The main hope of defeating the bill has been in the senate, where a group of Democrats from the New York City area has shown a disposition to defy Governor Lehman's urgent demands for passage of the bill. Senator Dunigan and Governor Lehman, however, have been cracking the whip over the rebels and as the zero hour drew near it looked as if the opposition had been pretty well herded into line.

State Association's Position

Albert Hirst, counsel New York State Life Underwriters Association, issued a statement explaining the position of the association in opposing the bill. He pointed out that the association decided on a telegraphic protest campaign only after it appeared that the bill was about to be rushed through both houses without any amendments whatever. He made it clear that the protest was not directed or inspired by the companies but by the agents acting as independent business men.

"Every single telegram was paid for by the person who signed it," he said. "Nobody gave us orders or financed any action that we took. The action was taken by the responsible officers of the association and was dictated solely by what we conceived to be our duties in the situation."

"In whatever measures we took we exercised our rights as citizens to present our views to the legislature. Most of us for the first time in our lives had the experience of watching democracy in action. It seems that our action was not ineffective and that the amendments that were adopted by the sponsors of the bill were to quite an extent brought about by our action."

The principal amendment is the limiting of savings bank insurance to \$3,000 per life.

Write \$11,663,000 in Special Drive for Welch

A special four weeks' campaign in honor of Second Vice-President V. S. Welch of the Equitable Society, in charge of the mid-western department, Chicago, produced 2,121 applications for \$11,663,412 of business. On Feb. 18, the first anniversary of Mr. Welch's appointment as an officer, 275 agents produced 419 applications or better than 50 percent response. There were 236 agents who secured five or more applications each and 59 producing at least 10 applications each.

The Woody agency led in Chicago with 504 applications for \$4,020,690 for the 28 days. Harry T. Wright, "millionaire," was leading agent in the agency with 20 applications. His record was exceeded by J. B. Glasser, Lust-

garten agency, with 30, and Arthur Lazarus, Israel agency, with 21. The Woody agency had 59 agents each of whom wrote at least five applications.

The leading unit was that of Taft Woody of the Woody agency with 115 applications for \$1,308,000. Other Chicago agency records were: Lustgarten, 386 applications for \$2,030,732; P. B. Hobbs, 253 for \$1,046,306; W. L. Gottschall, 250, for \$1,111,552; H. A. Sloan, 156 for \$793,710, and Israel agency, 140 for \$717,820. The campaign was wound up at a luncheon honoring Mr. Welch. P. B. Hobbs managed the four weeks' campaign and also handled luncheon arrangements. Mr. Welch gave an inspirational talk dealing with the society.

D. M. Baker, Jr., one of the leading producers of the W. G. Gastil agency of the Connecticut General Life in Los Angeles, broke his leg while tobogganing recently at Big Bear.



They Have the Means But Not the Method

Show them how to budget their income and they will get much more satisfaction out of it.

Instead of being harassed by money troubles and the thought that he is more or less of a failure or his wife a poor manager, the husband will have more confidence in his own executive ability and his wife will have a definite undertaking to accomplish.

Their money will go much further. They will be able to enjoy the things they want most. They can build up a degree of financial security that will make the course of their whole life more harmonious, more secure, more helpful to the community.

**Connecticut General
Life Insurance Company**
Hartford, Conn.

EDITORIAL COMMENT

Chance for a Merchandising Job

PUBLIC esteem being the unreasoning force that it is, life companies and agents have no cause to take too much to heart the slap at them contained in the LIVINGSTON-PIPER savings bank life insurance bill and the general indifference of legislatures and public to the fate of the American agency system. There is, however, one thing that has come out of the savings bank life insurance agitation which might well be taken seriously and that is that life insurance companies cannot rely on merely doing their job right. They must, in addition, let the public know that they are doing it right. In the statements of GOVERNOR LEHMAN of NEW YORK, of the NEW YORK legislators and in discussions among members of the general public it is all too apparent that there is a certain amount of satisfaction not so much in providing alleged cheap insurance for the poor but in giving the life insurance business its "come-uppance."

Consider what has been happening in NEW YORK: both savings banks and life insurance companies are institutions serving the public with a high sense of trusteeship. Savings banks and life companies are supervised by a state authority which is generally conceded to have no superior. No sound evidence has been brought forward to indicate that the companies and the banks are not equally zealous and efficient in serving their public. And yet the present proposal is to let one class of in-

stitutions invade the province of the other.

A reasonable person is entitled to ask, "Is it possible that life insurance has fallen down on its job to such an extent that another institution, having no experience whatever in this line, can go in and do a better one? Is it actually a fact that life companies are being so poorly run that the only cure is to let the savings banks invade their field?" An affirmative answer to such questions is absurd, yet that is exactly what the proponents of the LIVINGSTON-PIPER bill are giving.

What it all amounts to is that the public has a nice, warm, friendly feeling towards savings banks while its attitude towards insurance companies is likely to be tainted with suspicion. The depositors in savings banks have no more accurate idea of whether they are being treated well than have policyholders of life insurance companies.

Granted that the relation of depositor and bank is simpler than that of insured and company it still should be possible for companies and agents to take steps which will clear up distrust, actual or potential, of life insurance and convince the public that though life insurance may be more complicated than savings banking it is being run just as much in the interests of the public as are the savings banks. The LIVINGSTON-PIPER bill is a clear indication of the sort of thing that can happen if this is not done.

Life Insurance, the Unearned Increment

THE EQUITABLE SOCIETY in "Agency Items" refers to life insurance as the "unearned increment." This has a rather happy designation and forms an argument and explanation of life insurance protection that can be used to good advantage by the men in the field. "Agency Items" says:

"We frequently talk about insuring a man's life. What we in reality insure is the value of the unused portion of his life. Our prospect is, say 40 years old,

but we are not interested in those 40 years which have gone. Our talk is to see that he insures, for the benefit of his family, the value of the years to come—the unused part of his life. The older the man is, the more his life has been lived, the less the unused portion, and if he is producing in his business or profession a goodly income, the greater is his insurable value to his family, because of the shorter period during which his productivity may continue."

Life Insurance When Storm Signals Appear

PAUL Q. FERREL, vice-president and general sales manager of the REAL SILK Hosiery Mills of Indianapolis, in speaking before the INDIANAPOLIS ASSOCIATION OF LIFE UNDERWRITERS made the point that under-consumption of goods rather than over-production is a condition that confronts the country today. This is quite true in connection with life insurance. Therefore, the salesmen of the country are challenged because of this new situation that is an economic and business one.

GEORGE H. HARRIS, public relations officer of the SUN LIFE of Canada, in a talk before the HOUSTON LIFE UNDERWRITERS ASSOCIATION touched on the same point when he opined that business conditions and economic movements do not alter life insurance needs. There is always a real demand for life insurance and it is the province of the agent to set this forth in a very definite and if necessary graphic way. Mr. HARRIS asserted that even in times of business depression when people

find their footing insecure there is found a greater demand for life insurance.

In connection with these changes in buying conditions, the producing forces need to set their sails accordingly. There are services and arguments that are very effective under contrasting conditions. Life insurance, as we all know, has a very definite, concrete answer to personal prob-

lems affecting the security and income of the household and the individual. After all the life agent is not only selling protection but he is selling service. Therefore, in that connection he needs to appreciate in its highest degree the real service that he can offer, particularly in these present days of business recession and stagnation.

PERSONAL SIDE OF BUSINESS

Henry S. Nollen, president of the Equitable Life of Iowa, has been elected president of the Des Moines Civic Music Association.

Robert W. Huntington, board chairman of the Connecticut General Life, was a guest at a luncheon of the Walter G. Gastil general agency in Los Angeles. Mr. Huntington was accompanied on his visit by Mrs. Huntington. They arrived during southern California's worst storm, and naturally didn't appreciate the "climate." They went to Santa Barbara and San Francisco, before returning home.

E. A. Roberts, vice-president and general counsel Minnesota Mutual Life, St. Paul, Minn., returned from an extensive western trip. He attended several meetings of Gyro International of which he is president.

Dwight Sayward, general agent John Hancock Mutual, Portland, Me., leaves shortly for a cruise in southern waters. He has not been well for several weeks.

Samuel Bernstein, Philadelphia agent, who recently celebrated 20 years with the Philadelphia Life, was given a luncheon by associates in field and home office, President Clifton Maloney and Vice-president Jackson Maloney attending and offering congratulations and presenting a gift from the company.

Bradford Hathaway, manager real estate department of the Prudential at the home office, died of a heart attack in Atlantic City. He had been in ill health for several weeks and had gone to Atlantic City for a rest. He joined the department in 1929 and was noted as an author.

H. R. Laing, claim adjuster attached to the Jersey City office John Hancock Mutual Life, has rounded out 40 years' continuous service. He started with the company as an agent at New York City in 1898 and has been located in New Jersey since 1920 as a claim adjuster.

B. L. Jordan, for many years secretary-manager of the Southern Aid Society, Negro industrial life and sick benefit company, died at his home in Richmond, Va. He started as an agent of the company years ago. He was so prominent in Negro circles in his home city that one of the Richmond newspapers paid him tribute in an editorial when he died.

Mr. and Mrs. **A. W. Crouch** of Fort Dodge, Ia., were guests of honor at a dinner given in their honor on their 25th wedding anniversary. Mr. Crouch was formerly manager of the Fort Dodge branch of the Bankers Life of Iowa, and the guests, 25 or more, were all em-

ployes of that company or were formerly connected with the Fort Dodge branch.

In a recent issue it was stated that **J. Perry Meek**, agency supervisor of the Penn Mutual Life in Indianapolis, had been elected president of the University of Pennsylvania Alumni Association. Mr. Meek is manager of the Indianapolis office of the Acacia Mutual Life.

The football fortunes of the University of Kentucky will be of increased interest to Bankers Life of Iowa and other life salesmen in the Blue Grass state because of the recent appointment of Ab Kirwan as head football coach. The first graduate of the university to be brought back to his alma mater in such capacity, he is the son-in-law of **J. H. Heil**, Kentucky agency manager of the Bankers Life.

Lewis I. Held, Northwestern Mutual Life, Richmond, Va., spent a week at Fort Benning, Ga., receiving instruction and training. He is a captain in the officers reserve corps.

V. W. Wiedemann, manager Sun Life and president of the Kansas City General Agents & Managers Association, has been elected president of the Northwestern University Alumni Association there.

Chelsea Bailey, manager of the Union Central Life, has been appointed chairman of the Zanesville, O., community fund and will have charge of the campaign this coming fall.

John M. Sarver, former president of the Ohio State Life, now chairman of the board, is spending several weeks at Winter Haven, Fla.

M. B. Brainard, Aetna Life president, left Friday with Mrs. Brainard on the "Santa Elena" for a Caribbean and South American cruise. Mr. Brainard only recently returned from a trip through the middle west during which he visited numerous representatives of the field agency force.

D. W. Ferguson, who has been in charge of the Detroit branch of the Great-West Life during the stay of Manager A. P. Johnson in Florida, has returned to his head office in Winnipeg following Mr. Johnson's return to Detroit.

Miss Eleanor McKernan of West Hartford has just completed 25 years as secretary to the Connecticut insurance commissioner. In that time she has worked with ex-Commissioners Burton Mansfield and H. P. Dunham, and now John C. Blackall. The state insurance

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force has tripled in size during the time she has been connected with it, there having been but 20 people employed when she first started to work in the department.

Don R. Ferguson, supervisor of field service for the Great-West Life, and **Earl Schwemm**, Chicago manager, together with Mrs. Ferguson and Mrs. Schwemm are heading south by motor. They expect to visit Biloxi and may get into Florida. Mr. Ferguson had been operating the Detroit agency for about a month, while Manager Arthur P. Johnson was having a Florida vacation.

S. P. Ellis, Provident Mutual, Cincinnati, led major agencies of the company in gain in paid January business with 38 percent increase over quota.

Cyrus G. Shepard, 2d, 23, son of W. T. Shepard, general agent Lincoln National Life, Los Angeles, who recently graduated from the University of Southern California, has signed a contract with that company and is now taking its training course. He took the business administration course and received some tutelage from Dr. Rockwell.

Eric Wilson, New York City, who wrote "There Are No Strangers," published by THE NATIONAL UNDERWRITER, was the speaker before the Springfield (Mass.) Life Underwriters Association Monday of this week.

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Net interest earnings as a whole, after deducting all investment expenses, were 3.95 percent compared with 3.87 percent in 1936. Mortality experience was 55.7 percent of the expected rate. Payments to policyholders and beneficiaries were \$25,445,889. Policyholders in the participating life department of the company received \$2,119,605 in dividends, including an increase of 25 percent in the divi-

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Not so large as to lose the common touch, Fidelity, with \$362,885,947 insurance in force and \$117,806,424 of assets, is nevertheless a financial institution of impressive size and strength—one with which any man would do business in confidence or would represent with pride.

A booklet bearing the title, "The Company Back of the Contract," has been prepared primarily to tell the Fidelity story to buyers of its protection. We would be glad, however, to furnish a copy to anyone interested in the history and progress of the company.



One of a series—Giving facts about the Fidelity.

The FIDELITY MUTUAL LIFE
INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President

EDITORIAL COMMENT

Chance for a Merchandising Job

PUBLIC esteem being the unreasoning force that it is, life companies and agents have no cause to take too much to heart the slap at them contained in the LIVINGSTON-PIPER savings bank life insurance bill and the general indifference of legislatures and public to the fate of the American agency system. There is, however, one thing that has come out of the savings bank life insurance agitation which might well be taken seriously and that is that life insurance companies cannot rely on merely doing their job right. They must, in addition, let the public know that they are doing it right. In the statements of GOVERNOR LEHMAN of NEW YORK, of the NEW YORK legislators and in discussions among members of the general public it is all too apparent that there is a certain amount of satisfaction not so much in providing alleged cheap insurance for the poor but in giving the life insurance business its "come-uppance."

Consider what has been happening in NEW YORK: both savings banks and life insurance companies are institutions serving the public with a high sense of trusteeship. Savings banks and life companies are supervised by a state authority which is generally conceded to have no superior. No sound evidence has been brought forward to indicate that the companies and the banks are not equally zealous and efficient in serving their public. And yet the present proposal is to let one class of in-

stitutions invade the province of the other.

A reasonable person is entitled to ask, "Is it possible that life insurance has fallen down on its job to such an extent that another institution, having no experience whatever in this line, can go in and do a better one? Is it actually a fact that life companies are being so poorly run that the only cure is to let the savings banks invade their field?" An affirmative answer to such questions is absurd, yet that is exactly what the proponents of the LIVINGSTON-PIPER bill are giving.

What it all amounts to is that the public has a nice, warm, friendly feeling towards savings banks while its attitude towards insurance companies is likely to be tainted with suspicion. The depositors in savings banks have no more accurate idea of whether they are being treated well than have policyholders of life insurance companies.

Granted that the relation of depositor and bank is simpler than that of insured and company it still should be possible for companies and agents to take steps which will clear up distrust, actual or potential, of life insurance and convince the public that though life insurance may be more complicated than savings banking it is being run just as much in the interests of the public as are the savings banks. The LIVINGSTON-PIPER bill is a clear indication of the sort of thing that can happen if this is not done.

Life Insurance, the Unearned Increment

THE EQUITABLE SOCIETY in "Agency Items" refers to life insurance as the "unearned increment." This has a rather happy designation and forms an argument and explanation of life insurance protection that can be used to good advantage by the men in the field. "Agency Items" says:

"We frequently talk about insuring a man's life. What we in reality insure is the value of the unused portion of his life. Our prospect is, say 40 years old,

but we are not interested in those 40 years which have gone. Our talk is to see that he insures, for the benefit of his family, the value of the years to come—the unused part of his life. The older the man is, the more his life has been lived, the less the unused portion, and if he is producing in his business or profession a goodly income, the greater is his insurable value to his family, because of the shorter period during which his productivity may continue."

Life Insurance When Storm Signals Appear

PAUL Q. FERREL, vice-president and general sales manager of the REAL SILK Hosiery Mills of Indianapolis, in speaking before the INDIANAPOLIS ASSOCIATION OF LIFE UNDERWRITERS made the point that under-consumption of goods rather than over-production is a condition that confronts the country today. This is quite true in connection with life insurance. Therefore, the salesmen of the country are challenged because of this new situation that is an economic and business one.

GEORGE H. HARRIS, public relations officer of the SUN LIFE of Canada, in a talk before the HOUSTON LIFE UNDERWRITERS ASSOCIATION touched on the same point when he opined that business conditions and economic movements do not alter life insurance needs. There is always a real demand for life insurance and it is the province of the agent to set this forth in a very definite and if necessary graphic way. Mr. HARRIS asserted that even in times of business depression when people

find their footing insecure there is found a greater demand for life insurance.

In connection with these changes in buying conditions, the producing forces need to set their sails accordingly. There are services and arguments that are very effective under contrasting conditions. Life insurance, as we all know, has a very definite, concrete answer to personal prob-

lems affecting the security and income of the household and the individual. After all the life agent is not only selling protection but he is selling service. Therefore, in that connection he needs to appreciate in its highest degree the real service that he can offer, particularly in these present days of business recession and stagnation.

PERSONAL SIDE OF BUSINESS

Henry S. Nollen, president of the Equitable Life of Iowa, has been elected president of the Des Moines Civic Music Association.

Robert W. Huntington, board chairman of the Connecticut General Life, was a guest at a luncheon of the Walter G. Gastil general agency in Los Angeles. Mr. Huntington was accompanied on his visit by Mrs. Huntington. They arrived during southern California's worst storm, and naturally didn't appreciate the "climate." They went to Santa Barbara and San Francisco, before returning home.

E. A. Roberts, vice-president and general counsel Minnesota Mutual Life, St. Paul, Minn., returned from an extensive western trip. He attended several meetings of Gyro International of which he is president.

Dwight Sayward, general agent John Hancock Mutual, Portland, Me., leaves shortly for a cruise in southern waters. He has not been well for several weeks.

Samuel Bernstein, Philadelphia agent, who recently celebrated 20 years with the Philadelphia Life, was given a luncheon by associates in field and home office, President Clifton Maloney and Vice-president Jackson Maloney attending and offering congratulations and presenting a gift from the company.

Bradford Hathaway, manager real estate department of the Prudential at the home office, died of a heart attack in Atlantic City. He had been in ill health for several weeks and had gone to Atlantic City for a rest. He joined the department in 1929 and was noted as an author.

H. R. Laing, claim adjuster attached to the Jersey City office John Hancock Mutual Life, has rounded out 40 years' continuous service. He started with the company as an agent at New York City in 1898 and has been located in New Jersey since 1920 as a claim adjuster.

B. L. Jordan, for many years secretary-manager of the Southern Aid Society, Negro industrial life and sick benefit company, died at his home in Richmond, Va. He started as an agent of the company years ago. He was so prominent in Negro circles in his home city that one of the Richmond newspapers paid him tribute in an editorial when he died.

Mr. and Mrs. **A. W. Crouch** of Fort Dodge, Ia., were guests of honor at a dinner given in their honor on their 25th wedding anniversary. Mr. Crouch was formerly manager of the Fort Dodge branch of the Bankers Life of Iowa, and the guests, 25 or more, were all em-

ployes of that company or were formerly connected with the Fort Dodge branch.

In a recent issue it was stated that **J. Perry Meek**, agency supervisor of the Penn Mutual Life in Indianapolis, had been elected president of the University of Pennsylvania Alumni Association. Mr. Meek is manager of the Indianapolis office of the Acacia Mutual Life.

The football fortunes of the University of Kentucky will be of increased interest to Bankers Life of Iowa and other life salesmen in the Blue Grass state because of the recent appointment of Ab Kirwan as head football coach. The first graduate of the university to be brought back to his alma mater in such capacity, he is the son-in-law of **J. H. Heil**, Kentucky agency manager of the Bankers Life.

Lewis I. Held, Northwestern Mutual Life, Richmond, Va., spent a week at Fort Benning, Ga., receiving instruction and training. He is a captain in the officers reserve corps.

V. W. Wiedemann, manager Sun Life and president of the Kansas City General Agents & Managers Association, has been elected president of the Northwestern University Alumni Association there.

Chelsea Bailey, manager of the Union Central Life, has been appointed chairman of the Zanesville, O., community fund and will have charge of the campaign this coming fall.

John M. Sarver, former president of the Ohio State Life, now chairman of the board, is spending several weeks at Winter Haven, Fla.

M. B. Brainard, Aetna Life president, left Friday with Mrs. Brainard on the "Santa Elena" for a Caribbean and South American cruise. Mr. Brainard only recently returned from a trip through the middle west during which he visited numerous representatives of the field agency force.

D. W. Ferguson, who has been in charge of the Detroit branch of the Great-West Life during the stay of Manager A. P. Johnson in Florida, has returned to his head office in Winnipeg following Mr. Johnson's return to Detroit.

Miss Eleanor McKernan of West Hartford has just completed 25 years as secretary to the Connecticut insurance commissioner. In that time she has worked with ex-commissioners Burton Mansfield and H. P. Dunham, and now John C. Blackall. The state insurance

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Don R. Ferguson, supervisor of field service for the Great-West Life, and Earl Schwemm, Chicago manager, together with Mrs. Ferguson and Mrs. Schwemm are heading south by motor. They expect to visit Biloxi and may get into Florida. Mr. Ferguson had been operating the Detroit agency for about a month, while Manager Arthur P. Johnson was having a Florida vacation.

S. P. Ellis, Provident Mutual, Cincinnati, led major agencies of the company in gain in paid January business with 38 percent increase over quota.

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insurance department actuary, stated: "We made certain allegations. They made others. If we had gone ahead and established our allegations in court we would have impaired the capital of the

WESTWARD HO!



"Westward the course of Provident takes its way." . . . The month of March marks the First Anniversary of Provident's expansion into Oregon and the acquiring of the Union States Life Insurance Company of Portland.

With this important step, Provident's insurance in force rose to \$24,000,000 and assets to \$4,200,000. At the close of business, December 31, 1937, Provident's assets showed \$4,301,604.35. A capital and contingency reserve totalling \$678,797.40, or \$119.90 of sound assets for each \$100 of policy liability, gives Provident's policyholders security PLUS. . . . Provident goes steadily on, never deviating from its traditional insistence upon conservative underwriting methods and safe investment.

General Agencies are available to responsible representatives in North Dakota, South Dakota, Minnesota, Montana, Idaho, Washington and Oregon.

PROVIDENT
LIFE INSURANCE CO.
Bismarck, North Dakota

company. We thought it better to keep the company alive for the benefit of the policyholders. We think this is the best settlement we could make."

The position of the company, as advanced by T. F. Chawke and T. H. Levin, attorneys, was that the agreements merely adjust differences between actuaries. The company was happy to settle the differences, they declared. During the controversy, the company voluntarily disassociated itself from the American Conservation Company of Chicago.

The state figures show the company has 20,496 policies in effect, with a total face value of \$23,883,503. Its assets against the claims of old policyholders are \$5,785,717, and against the claims of new policyholders \$2,577,000, a total of \$8,362,717. Under the reinsurance agreement there was a 60 percent lien on the policies of the Detroit Life to work out the assets for the benefit of the policyholders.

Reports on Security Estate

Trustee Nerlove Issues a Statement as to the Condition of the Chicago Life Company That Failed

S. H. Nerlove, surviving trustee of the Security Life of Chicago fund, issues a statement as of Dec. 31, showing cash \$75,000, bonds and stocks \$145,000, first mortgage loans \$466,000, real estate \$1,069,000; current account with the Central Life of Chicago, the reinsuring company, \$23,000; present worth of indebtedness on former Security Life policies, \$250,000; advances to Central Life for the reinsured policyholders pursuant to contract, \$298,000; total assets \$2,326,000. The total obligations subject to indebtedness and advances of approximately \$823,000 are \$9,715,000. The receipts during the year amounted to \$229,702 and the disbursements \$213,625.

Predicts 20 Percent Dividend

Trustee Nerlove states that provided that an orderly process of liquidation can be continued, the creditors can reasonably hope to obtain approximately 20 cents on the dollar after allowance has been made for the policy indebtedness of former holders by reason of policy

loans made prior to the receivership. In addition to dividends from the liquidation of assets, policyholders who have continued their policies in force under the reinsurance contract will benefit from earnings of their own group and from other advantages arising out of the provisions of the contract after the payment of the cost involved in such reinsurance which has been charged to this group alone.

Character of the Assets

The trustee says that since 1933 aggressive attempts have been made to liquidate the assets individually and in bulk without sacrifice so that a dividend could be declared and policy liens reduced. Aside from unfavorable economic and business conditions the particular character of the assets has made it impossible to accumulate a sufficient amount of cash to declare a dividend. About two-thirds of the bonds and more than one-half of the first mortgage loans are in default. The farm loans are in seven states. They are located in areas that are not only poor farming districts but have been subjected since 1934 to adversity arising from climatic and other physical conditions.

So far as death claims of the Security Life are concerned, which accrued prior to and after the date of the receivership, the Central Life has paid out in excess of \$1,250,000.

Hercules Life Submits Its Exhibit of Operations

The Hercules Life of Chicago shows insurance in force was \$131,510,498. This included new insurance as well as that outstanding in the National Life, USA fund. As prevailed in 1936, more than 90 percent of the insurance renewed in 1937 in the National Life fund was paid for in cash. The rate of termination, exclusive of deaths and maturities, was 4.25 percent, even less than in 1936. The premium income was \$2,810,847, including the business of the National Life fund.

The new business in force increased substantially in 1937, and the company continues to expand its service, being now admitted to do business in more than 35 states from California to New York.

Under the agreement of reinsurance of the business contained in the National Life USA fund, the Hercules prepares a report of its stewardship as of Dec. 31 of each year and submits it to the insurance department of Illinois for approval. This reflects the operations of the National Life fund for the year with a statement of assets and liabilities as established in accordance with the terms and conditions of the reinsurance treaty. At the end of 1936 the National Life fund showed a contingency reserve of \$1,020,000 and a surplus of \$2,348,000. The surplus was used to reduce the lien. The contingency reserve served its purpose in easing investment adjustments in 1937 with the result that at the end of the year there was a contingency reserve of \$686,540. There will be no lien adjustment as a result of operations in 1937. It is the hope that the future operations and the investment developments will result in the accumulation of a contingency reserve and a surplus of such amount as may permit consideration of a further adjustment in the National Life fund liens.

Since assuming the National Life fund business, the company has paid to policyowners and beneficiaries more than \$8,730,000 in matured endowments and death claims. The dividend scale applicable to Hercules policies will continue on the same basis.

Order Asset Values Increased

When the convention examination was made of the Canada Life by the National Association of Insurance Commissioners, it marked up some of its stocks and bonds to a higher point than it had carried them in its financial statement. For instance, as of Dec. 31, it shows as-

sets \$261,314,862, so far as the United States exhibit is concerned. In Canada its assets are shown to be \$259,339,730, that being the figure at which it carries its securities. An interesting thing as to Canadian companies is that under the laws of the states they are not allowed to have in their American reserves any Canadian securities, although United States companies are permitted to own such.

Indianapolis Life's Record

The Indianapolis Life last year paid in dividends to policyholders \$360,922. Since organization it has paid a very sizable amount, \$5,405,702. Its mortality ratio last year was 43.6 percent. It increased its insurance in force \$5,310,600, making a total now of \$106,077,790, the largest amount in its history. The Indianapolis Life always aims to build up a substantial surplus, that item now being \$1,015,107 unassigned surplus. It has set aside \$300,000 for investment and mortality fluctuation. Last year it sold 115 parcels of real estate for \$334,548, which was \$73,400, or 16 percent above the value at which it was carried on the books.

Results of Santa Fe Merger

In the consolidation of the Santa Fe National Life of Oklahoma City with the Santa Fe Life of Albuquerque, N. Mex., the Oklahoma company shareholders received one share of stock in the New Mexico company for each share they held, the par in both companies being \$1. The Oklahoma company had \$500,000 insurance in force. Before the consolidation the Oklahoma company had taken over the Old Line Life of Oklahoma City, which had \$1,385,000 in force, the Santa Fe National paying \$15 per thousand for it. The New Mexico company now has assets \$325,000 and \$6,225,000 insurance in force.

Assessments Upheld

The Tennessee supreme court has ruled that the Columbian Mutual of Memphis was within its rights when it assessed fraternal policyholders \$1,688,000. The Columbian Mutual had found a deficiency of more than \$1,000,000 in its assets, and under the old Tennessee fraternal charter laws the company assessed the fraternal policyholders enough to make up the deficit and to leave a surplus in the company account. The suit was brought by the policyholders against the assessment. The court holds the assessment was legally made.

C.L.U. NEWS

PHILADELPHIA MEETING

This week at the Philadelphia C.L.U. luncheon, C. H. Smith, Penn Mutual and A. F. Mason, Equitable of Iowa, discussed "Practical Uses of Settlement Options." This discussion follows the general program plan which E. J. Murphy, Equitable Society, program chairman, planned for the year. There is an outside speaker, an authority on a particular subject, secured first to develop the idea. At the following meeting two members of the chapter act as speakers in a joint discussion carrying out the previous month's message. The meeting came as a sequel to the February meeting on "Current Trends in the Use of Settlement Options."

DAVENPORT C. L. U. ELECTION

In its annual election the Davenport, Ia. C. L. U. chapter named the following officers: President, Raymond Schmidt; vice-president, Clyde Minard; secretary-treasurer, John Scripps. Committee chairmen include William S. Sanford, chairman of the education committee; Clyde Minard, program, and Richard LeBuhn, membership.

August V. Hansen, district agent of the Old Line Life of America at Marshfield, Wis., and Miss Phyllis Kirschner were married.

ASK A FIELD MAN..He Knows!

The Field Man is properly the connecting link between life insurance company and agent. Better than anyone else, he knows whether or not service rendered agent (and through the agent, the policyholder) is all that the company claims for it. Believing this, The Southland Life ASKED its District Managers about Southland Life service to agents. And here is what one said:

REX NORDYKE
Oklahoma City, Oklahoma

"Occasions arise when special problems of special agents need special attention from the home office. I can always feel sure that my men will get this attention from The Southland Life."

If you are interested in an agency contract, write First Vice Pres. Clarence E. Linz, or Vice Pres. and Agency Manager Col. W. E. Talbot.

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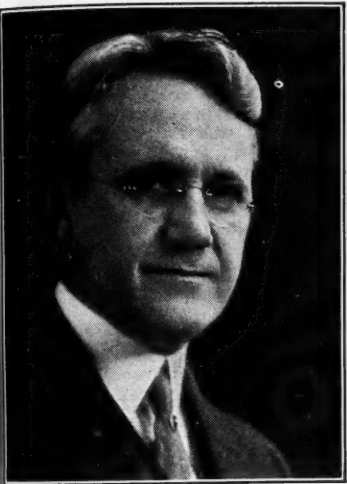
ESTABLISHED 1889 — HEAD OFFICE — WATERLOO — ONTARIO

AMONG COMPANY MEN

New Central States Head

Alfred Fairbank, St. Louis Banker, Is Elected President to Succeed A. L. McCormack

ST. LOUIS—Alfred Fairbank, who had been vice-president and trust officer of the Boatmen's National Bank of St. Louis, has been elected president of the Central States Life to succeed A. L.



ALFRED FAIRBANK

McCormack, president of the Charles L. Crane Agency Company, who declined to seek reelection to the position which he assumed two years ago. Mr. McCormack said that because of the press of his duties with the Crane agency he found it advisable to quit as president of the life company.

The selection was made on the recommendation of a special committee of the directors, and was ratified unanimously by the board. Mr. Fairbank has had no previous connection with the Central States Life. He plans to devote his entire time to his new duties and has resigned his bank position. The selection has the approval of Governor Stark and Superintendent Robertson. Mr. Fairbank conferred with them in Jefferson City last week.

Other officers have not been elected. The old officers will continue for the present. After Mr. Fairbank has entered on his duties and becomes acquainted with the organization, the directors will decide on the other officers.

Mr. Fairbank is president of the Barnard Free Skin & Cancer Hospital and a director of the St. Louis chamber of commerce. He is a member of the executive committee of the trust division of the American Bankers Association and formerly was president of the Corporate Fiduciaries Association of St. Louis. During the war he was a director of civilian relief and later manager of the southwestern division of the Red Cross.

McClure to Take Up Life Work

C. N. McClure, vice-president and treasurer of the Craftsman of Boston, is resigning and within the next couple of months will establish his own agency at Detroit. He has been anxious to build a business of his own and as his original training was in the life insurance field and his home in Detroit he desired to return to his early activities. He has not yet made a company connection but he expects to have his office established by May 1.

B. G. Harrison Now Vice-President

B. G. Harrison, who has been a director of Great American Life of San Antonio since it was organized, has now been elected a vice-president. He is moving his residence from his former

home in Kansas to San Antonio to devote his full time to the affairs of Great American Life.

Roberts with Atlantic Life

Samuel J. Roberts has been appointed supervisor of the Atlantic Life, according to Robert V. Hatcher, secretary, who has recently been placed in charge of agency operations.

Mr. Roberts was with the Acacia Mutual Life for 15 years. He held various home office positions and was advanced to acting field superintendent. In 1932 he was appointed branch manager at Philadelphia, resigning in 1937 to go into business for himself in Washington in the field of insurance brokerage and law.

W. N. Seery Is Promoted

W. N. Seery, group assistant in the Newark branch office Travelers for a number of years, has been advanced to district group supervisor there. He has been in life insurance work in New Jersey for some years.

Inman Agency Supervisor

Joseph F. Inman has been appointed agency supervisor in the ordinary agency department of the Life of Virginia. He will operate where his services are required in the ordinary agencies.

SALES MEETS

B. M. A. Denver Meeting

The Business Men's Assurance conducted a sales meeting at Denver with the new Colorado branch manager, M. V. Stenseth. Present from the home office were J. C. Higdon, vice-president in charge of sales, and Dave Alport, chief underwriter. W. M. Jones of Salt Lake City, manager for Utah, attended.

Lyter at Richmond

F. O. Lyter, assistant superintendent of agents, Connecticut Mutual Life, addressed the D. C. Little agency at Richmond, Va. He said that as predicted by many life insurance executives the social security act is really helping the life insurance business. "The act," he said, "has made the country conscious of the need for old-age income, and the companies are receiving thousands of inquiries as to how their retirement income contracts can supplement the income which is to be received from the government at age 65."

Northern Life's Convention Plans

Irving T. Morgan, vice-president Northern Life of Seattle, announces that the 1938 Tower Club convention will be held in July at Harrison Hot Springs, Can. The Northern Life will celebrate its 32nd anniversary.

Reliance Men in St. Louis

ST. LOUIS—Vice-president H. T. Burnett, Secretary J. H. Layton and V. J. Adams, superintendent of the western division of the Reliance Life, attended a dinner meeting of the St. Louis agency. Frank Vesser, St. Louis general agent, presided.

J. H. Layton, assistant secretary in charge of the agency accounting department, presents a gold loving cup to W. R. Harpe of St. Louis for insuring 219 lives for a total of \$251,000 in 1937 and a silver loving cup to Dorothy Riley of Columbia for her accident and health production, while a gold medal went to D. E. Woodruff, district manager at Columbia, Mo., for his Production Club paid-for volume.

A dividend of \$3.75 a share for the current quarter has been declared by the Sun Life of Canada, payable April 1 to shareholders of record March 16.

CENTRAL LIFE INSURANCE COMPANY OF ILLINOIS

A LIMITED NUMBER OF EXCEPTIONAL
GENERAL AGENCY OPPORTUNITIES
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Galveston, Texas

W. L. Moody, Jr., *President*

GROWTH OF COMPANY

Thirty-Third Annual Statement, December 31, 1937

GROSS INCOME	\$ 19,485,025.08
<i>Increase over previous year, \$893,866.55</i>	
PREMIUM INCOME	16,273,880.82
<i>Increase over previous year, \$1,344,855.51</i>	
ASSETS	67,420,880.62
<i>Increase over previous year, \$5,777,192.12</i>	
INSURANCE IN FORCE	671,629,425.00
<i>Increase over previous year, \$60,562,442.00</i>	
CAPITAL \$2,000,000.00	SURPLUS \$8,712,802.00

Operating from Coast to Coast, from the Great Lakes to the Gulf, in Cuba, Puerto Rico and Hawaii

THE HOME LIFE INSURANCE COMPANY OF AMERICA

PROTECTS THE ENTIRE FAMILY

Home Life agents are equipped to serve every need for life insurance. Modern policies are issued, on both Industrial and Ordinary plans, from birth to 64 next birthday.

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PRESIDENT

Bernard L. Connor
SECRETARY

John J. Gallagher
TREASURER

Independence Square

Philadelphia, Penna.

AS SEEN FROM CHICAGO

DUDLEY AGAIN ON JOB

E. B. Dudley, Chicago manager of the Travelers, has returned to his desk, having been away for several months, due to illness. He was in Florida for a time and then went into the southwest.

SLOAN AGENCY WELL AHEAD

H. A. Sloan agency of the Equitable Society in Chicago reported a gain in production in January and February of this year of 23 percent over the same period in 1937. Although both months were good, February was better than January. Mr. Sloan has been successful in causing his men to capitalize on talk of recession and depression rather than to be paralyzed by it.

INSTALL ANALOGRAPH SYSTEM

Edward C. Hawes, Bangor, Me., general agent of the Mutual Benefit Life, is in Chicago for a month aiding in the installation of the company's new Analograph system in the Parsons general agency. The Mutual Benefit is insisting that those who use the Analograph be

thoroughly trained and at the home office a 30 day course is required to master it. B. C. Thurman, home office supervisor, was a Chicago visitor.

ROY ELMER TO CENTRAL BRANCH

New York Life has transferred Roy T. Elmer from the Clearing House Branch to the Central Branch in Chicago, where he will be agency organizer, associated with Lloyd Lafot, inspector of agencies, and J. S. Frederickson, agency director. For the past nine years Mr. Elmer has been agency organizer with Frederick Bruchholz, agency director of the Clearing House Branch. Mr. Elmer is secretary of the Supervisors Club of Chicago.

BUILDING ACCIDENT LINE

E. E. Lamb, Chicago manager of the Columbian National Life, who has built up an effective life insurance producing organization, is now devoting considerable of his time to health and accident. The Columbian National doubled its accident and health premiums in 1937 and

is out to make greater gain this year. Mr. Lamb, therefore, is stimulating production in this direction as well as life. He is also writing group life, accident and health or group life and accident separately and group accident and health together.

R. J. Clancy, who is manager of the brokerage department of the Lamb agency, was formerly with the Travelers and hence is well versed in life as well as accident and health.

ZIMMERMAN SALES COURSE

The Charles J. Zimmerman Agency of the Connecticut Mutual in Chicago announces the third brokers' sales training course to be held at its offices for five weeks commencing March 15 from 4:30 to 6:30 p. m.

The regular staff of lecturers includes Mr. Zimmerman, W. H. Siegmund, manager brokerage department, and E. S. Hewitt, manager of full-time production. In addition, there will be several guest lecturers from the home office of the Connecticut Mutual. They will discuss specialized subjects.

For the past eight months, since July 1, the agency has had an increase of over 300 percent in paid-for business from brokerage sources.

FRAZIER IS BROKERAGE MANAGER

Richard C. Frazier was appointed by Earl M. Schwemm, Chicago manager, Great-West Life, as brokerage manager. Mr. Frazier has been with the agency a year and is one of the leading agents in the company. Prior to entering insurance work he was engaged in retail sales. He is a graduate of the University of Illinois. The Schwemm agency has had a large increase in brokerage business as well as in regular agency production.

CANADA LIFE SEEKS BROKERAGE

Berrien Tarrant, manager of the Canada Life in Chicago, is now prepared to handle brokerage business in the city. Heretofore the Chicago office has not been in the brokerage field. Mr. Tarrant, however, has fully equipped his office to give prompt attention and he will make a drive for this class. Mr. Tarrant is also building an agency organization.

CLEARING HOUSE WILL MOVE

The Chicago clearing house of the Mutual Life of New York in charge of W. G. Warren, manager, now located at 134 North LaSalle street, has taken space in the building at 134 South LaSalle street and will move in when the offices are fitted up for its special accommodation.

CENTRAL PREMIUM COLLECTION

The Provident Mutual Life in Chicago has established a central office for premium collection and general service such as policy loans, repayment of loans, reinstatements, etc. This centralized premium collection agency is well known in New York City because almost every company has two or more offices. In some of the large cities the New York Life, Equitable Society and Mutual Life of New York where they have more than one business getting production office have a clearing house. The Provident Mutual has two general agencies in Chicago, one conducted by E. S. Albritton and the other by Marquis & Ellsworth. The new cashier's department is located in the Harris Trust building.

The experiment of the Provident Mutual will be studied with interest in Chicago by companies having multiple agencies. It was found, for example, that agents that have considerable business in force and especially those that have older policies have been giving 50 percent of their time on an average to policyholders' service and getting little or nothing in return. It is true that policyholders' service creates good will and opens the way for additional insurance later on. However, when it comes to readjusting policies, arranging for loans, reinstatements, etc., there is not the opportunity for new business that may

have been hoped for. The separation of the cashier's department from the production end certainly relieves the general agent of many details.

There is a direct telephone connection between the cashier's department and the production offices. Therefore, where a person comes in to pay a premium and the cashier's department feels that an agent's service would be highly desirable he can be gotten in touch with in a short time. There are certain policyholders' services which require expert attention and the cashier's department immediately gets the policyholder in touch with the agents. Many agents have relied strongly on the service they render to promote good will and to bring added business.

When the financial crash laid the companies low in 1930, agents were called upon for service of various kinds and this almost monopolized their time and attention. In a sense the agents were taken out of production and put into service. It was necessary to recruit a new organization whose members would not have to render so much service. There may be some disadvantages in having the cashier's department separated from the production office but observers are inclined to think that the benefit considerably overbalanced the disadvantages.

EXPENSE RATIO INCREASED

General agencies in Chicago report that with the social security taxes and state unemployment tax the operating expense ratio has been considerably increased, along with other items that have to be included in outlay. It is compelling general agents to initiate economies wherever possible as naturally the expense ratio has been about as high as the traffic will bear.

BEARD IN BIRTHDAY DRIVE

R. H. Beard of the Beard agency, Philadelphia Life, Chicago, who recently was elected to the board, held a special campaign as a preliminary to celebration of his birthday March 7.

CORY TO BE ARMY FLYER

Albert A. Cory, special representative in the brokerage department of the Continental Assurance branch in the Insurance Exchange, Chicago, has passed his examination for admission to army flying training and will leave this week for instruction at Camp Randall, Tex. He was for a time connected with the actuarial department of the Continental Assurance at the home office.

S. D. Marquis of Marquis & Ellsworth, Chicago general agents for Provident Mutual Life, is leaving by motor Saturday for a vacation trip to California.

Minninger Agency Growing

F. N. Minninger, Jr., manager Newark branch office Connecticut General Life, has increased his staff and his agency in the first two months this year, making a 70 percent gain in paid premiums over the same period last year.

33% GAIN
in first two months

1938

★ ★ ★

The MIDWEST Life
INSURANCE COMPANY
of LINCOLN, NEBRASKA

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LIFE AGENCY CHANGES

Provident L. & A. Names Two

C. M. Earley Becomes General Agent at Norfolk, Va., and H. C. Maness at Raleigh, N. C.

General agency appointments by the life department of the Provident Life & Accident have placed outstanding men in Norfolk, Va., and in Raleigh, N. C.



H. C. MANESS

the Wesleyan Bible class, largest of its kind in the city, numbering 600.

W. Roy Parsons, of the agency, has been promoted to district manager in charge of the agency's business connected with the United States naval enlisted personnel.

In Raleigh, Harvey C. Maness has been appointed general agent. He is a life man with 14 years active experience. He is a graduate of a home office life training school and of nine field schools, qualifying for his production club every year while under contract. Mr. Maness is active in civic affairs.



C. M. EARLEY

St. Paul. For a number of years he has averaged better than \$250,000 of paid business, one year scaling the heights to the million dollar class. He takes charge of new and enlarged offices in the First National Bank building.

Opens Office in Houlton, Me.

The State Mutual Life has appointed Norris C. Estabrook general agent in Houlton, Me., to supervise eastern Maine. It now has two offices in the state, the Portland office having been established in 1883.

Mr. Estabrook, who has been agent at Houlton nearly 25 years for the New England Mutual Life, now heads the only life insurance general agency north of Bangor. He is a past president of the Houlton Rotary Club and has been active in the chamber of commerce.

Amidon Assistant in Boston

M. F. Kane, manager of the "Beacon" ordinary agency of the Prudential, announces the appointment of K. D. Amidon as assistant manager. Mr. Amidon was appointed agency assistant in September, 1936, to assist in the development of a full-time organization and brokerage business.

The "Beacon" ordinary agency moved to its new quarters at 75 Federal street, in October. Three new agents have been added to the full-time agency staff since the first of the year.

Nelson District Manager

E. E. Nelson, Muskegon, Mich., representative Great-West Life, who won a vacation trip for his 1937 production record, has been made district manager for the area including Muskegon and Kalamazoo, and will divide his time between those cities.

McMillan Now General Agent

LOS ANGELES—F. M. McMillan, manager for the Penn Mutual Life here for the past three years, has been appointed general agent. Mr. McMillan was transferred here from Atlanta, Ga.,

March 1, 1935, where he had been assistant general agent. During the past year eight members of the Los Angeles agency wrote an average of \$160,000. The top producer turned in a \$287,000 paid volume.

Myers Made Sales Manager

Robert L. Myers has been made sales manager of the Ralph W. Hoyer agency of the John Hancock at Columbus, O. He has been field manager four years.

S. V. Smith District Manager

Stanley V. Smith has been appointed district manager for the Manufacturers Life to supervise Linn and Benton counties with headquarters at Albany, Ore.

Opens Winchester, Va. Office

The Life of Virginia has opened a new ordinary agency in Winchester, Va., with Hubert A. Kerr, formerly agent in the Staunton, Va., ordinary agency, as manager.

Williamsport General Agent

Irvin D. Waltz of Williamsport, Pa., has been appointed general agent by the Bankers National Life. For many years he was in business in Williamsport, and has had extensive selling experience.

AGENCY NOTES

The Monarch Life has appointed G. C. Bagley district manager for Kent county, Ont.

George H. Anderson, assistant trust officer of the Iowa-Des Moines National Bank & Trust Co., Des Moines, for the last three years, has resigned to join the Des Moines agency of the Mutual Life of New York as consultant on inheritance and estate taxes and income insurance.

Glen Hazen of Ottumwa, Ia., for many years Wapello county farm bureau agent, has been named district supervisor for the State Farm companies of Bloomington, Ill., in charge of 13 counties.

R. P. Adrian, representing the ordinary department of the Prudential, has established headquarters at Ottumwa, Ia. He has been with the company seven years.

NEWS OF LIFE ASSOCIATIONS

Reports at Salt Lake Muster

Managers Listen to Discussion of Their Own Problems and Work of the Underwriters Association

SALT LAKE CITY—At the February meeting of the Life Managers Association, Carl R. Marcusen, president of the Pacific National Life, introduced O. L. Hiner, United Benefit Life, as chairman. N. L. Morris, Pacific National Life, chairman of the essay contest committee of the Utah Life Underwriters Association, reported that he was receiving excellent cooperation from the schools. F. E. Walker, president of the life underwriters, stated that the extension course at the University of Utah was being well attended. John D. Spencer is conducting a salesmanship course. Grant Taggart of Cowley, Wyo., millionaire writer, will participate in the sales congress April 4. The Ogden and Cache Valley associations indicated a desire to participate. President O. Sam Cummings of the National association will arrive the morning of April 3 and will be a guest at the tabernacle conference meeting and participate in the national broadcast of the Tabernacle Choir.

W. A. Crowder, Bankers Life of Iowa, reviewed the book, "Practical Prestige Building," by Miss Lorraine Sinton of the Mutual Benefit Life at Chicago.

George J. Cannon of the Beneficial Life spoke on "How to Avoid Financing

Agents." He spoke on financing plans for new men and the older ones. He gave it as his opinion that there should not be any call for financing of recruits. Any effort of this kind, he said, would result in loss. He said that some companies were paying a stipulated amount per thousand on deferred commissions.

California Officials Confer

James H. Cowles, Los Angeles general agent Provident Mutual Life and president of the California State Association of Life Underwriters, presided at a meeting of the officers, directors and committee chairmen of the association in Santa Barbara, at which Commissioner Carpenter was a guest.

Chairmen W. J. Stoessel of the membership committee, Kellogg Van Winkle, legislative, and R. R. Roberts, educational, gave reports on the activities of their committees, and Eugene Hays, in the absence of Chairman J. M. Hamill, told of the work of the caravan committee.

The life men welcomed the presence of Commissioner Carpenter, as it gave them an opportunity to gain wider knowledge of the operations of the department and to consult with him on questions that have arisen during the year.

Richmond Congress Speakers

Speakers at the morning session of sales congress to be held in Richmond, Va., March 11 in conjunction with the mid-year meeting of the National Asso-

To Conduct Panel Feature of Davenport Congress



C. J. ZIMMERMAN

Charles J. Zimmerman, secretary National Association of Life Underwriters, chairman program committee for the national convention at Houston, and general agent for Connecticut Mutual in Chicago, will head the one-hour panel on the Davenport, Ia., program April 23, entitled, "The Cycle of a Sale."

Mr. Zimmerman will be assisted and associated with three other nationally-known speakers, who will develop three or four phases that are present in the making of every sale.

At the end of February Fred Schwengel of Davenport and V. A. Sharp of Northwood, Ia., were the leaders respectively in point of number of lives and in volume in the contest for the prize of an all-expense-paid-for trip to the Davenport congress. The contest runs until the end of March. The winners in each category will be guests of the association at the function. Mr. Schwengel is with the Home Life and Mr. Sharp is connected with the R. L. Bailey agency of Mason City, Ia.

Runner-up in point of number of lives so far is W. E. Ferris, New York Life, Des Moines, and in volume R. N. Howes, Aetna Life, Clinton, Ia.

ciation of Life Underwriters in that city March 11-12 include John W. Yates, Massachusetts Mutual, Los Angeles, on "Minding the Gap," and H. T. Wright, Equitable Society, Chicago, on "Making More Money in 1938." Speakers in the afternoon are H. J. Johnson, Penn Mutual, Pittsburgh, "Which Way;" C. J. Zimmerman, Connecticut Mutual, Chicago, "Getting Action," and Charles Taylor, Life of Virginia, Richmond, "Industrial Insurance as Compared with Ordinary Insurance."

O. Sam Cummings, Dallas, president of the National Association, will give the luncheon address. The congress is sponsored by the Richmond association.

Chicago—Harry G. Guthmann, professor of finance, Northwestern University, will address the luncheon meeting March 23 on "Investment Trends and Life Insurance." He conducts the investment courses at Northwestern, as well as the investment section of the C. L. U. classes.

Los Angeles—Floyd W. Forker, manager of sales promotion Pacific Mutual Life, spoke on "Profitable Prospecting." Some of the critical points of profitable business he cited are: (1) Application frequency must result in a minimum of 30 sales per year. These sales should be evenly spaced. Over 50 sales seems to be necessary for more than \$250,000 in business. (2) Less than one-third of the sales should be \$1,000 policies. (3) Less than one-third of the policies should be on a quarterly basis. (4) Settlement options should be used on practically all

Minnesota Mutual Life Names W. G. Eader at San Francisco

Walter G. Eader has been appointed general agent for the Minnesota Mutual Life at San Francisco in charge of the coast counties from the Oregon line as far south as San Luis Obispo. For 10 years Mr. Eader was sales manager and assistant manager of the northern California agency of the Pacific Mutual Life. A year ago he entered personal production and has been highly successful.

Mr. Eader has been 25 years in the life insurance business starting in Colorado with the New England Mutual. He later became a district manager for the Northwestern Mutual in Colorado and later in the same capacity in Oakland, Cal. After several years in that position he was selected to build the northern California agency for the Equitable Life of Iowa, achieving an outstanding record in the company when he was selected by the Pacific Mutual to become sales manager of its San Francisco office. He is opening offices in the Russ building, San Francisco.

Tiedemann Muscatine Manager

H. J. Tiedemann has been appointed general agent at Muscatine, Iowa, by the Yeoman Mutual Life. Prior to 1932 he was in the banking business but entered life insurance work when his bank closed. For five years he was with the New York Life and one year with the Home Life of New York.

Jardine Made St. Paul Manager

Thomas Jardine has been appointed general agent of the Yeoman Mutual Life at St. Paul. Mr. Jardine, with 20 years life insurance experience, was formerly with the Massachusetts Mutual and for the past four years has been with the Mutual Life of New York at

cases. (5) The most profitable prospect source is referred names from policyholders.

Macon, Ga.—Henry C. Johnson of Atlanta, manager Equitable Society for Georgia, was guest speaker.

Columbus, O.—Life agents in more than 40 counties in central, southern and southeastern Ohio have been invited to take part in the Columbus sales congress March 19. Speakers will be Holgar J. Johnson, Penn Mutual, Pittsburgh; Leon Gilbert Simon, Equitable Society, New York; Dr. Otto Mees, Capital University, who will be the luncheon speaker; J. Harry Wood, John Hancock, Boston, and J. M. Gantz, Pacific Mutual, Cincinnati.

Kansas City, Mo.—Tom Collins spoke on "What's Worrying You?" The U. S. Chamber of Commerce campaign on "What Helps Business Helps You" was discussed.

Oklahoma City—Hugh D. Hart, agency organizer Pyramid Life, Little Rock, spoke on the fundamentals of selling.

Kokomo, Ind.—Lewis Hensley, Indianapolis manager mortgage loan division of the John Hancock, talked on the security of legal reserve life insurance because of the diversity and the security of the type of investments of the companies.

Baltimore—John A. Witherspoon, general agent John Hancock Mutual Life at Nashville, spoke on "Prestige Building Through Motivation."

Preparations are being made for the annual sales congress May 6. Walter H. Saitta is chairman.

Philadelphia—John Q. Agent will go on trial before a jury of his peers here to see whether he is living up to the trust imposed in him. The trial will take place the afternoon of March 24 in Courtroom 676, City Hall, the event being one of the activities of the association's educational committee. While all of those participating will be amateurs, the trial will be professionally staged under direction of Rowland Dearden,

"United States Review," who spent four years with David Belasco. The cast will include Jack Berlet, prosecuting attorney; Henry McBratney, defense attorney; Frank Campbell, as "John Q. Agent"; Eleanor Beetman, the widow; Martin Lammers, general agent; Regina Rooney, the deceased's secretary, and C. A. Duffield, presiding judge.

Joplin, Mo.—David Hoover, Northwestern Mutual Life, has been elected president of a newly organized association. L. R. McKee, Minnesota Mutual, is vice-president, and William Baker, Franklin Life, secretary-treasurer. Dallas Alderman of the Kansas City Life, Kansas City, president of the Missouri association, assisted in the organization.

Fargo, N. D.—Dr. W. F. Boyd, pastor First Presbyterian Church, addressed the North Dakota association on "What Do I As a Layman Expect from the Life Underwriter?" He said he expects honesty and integrity from the agent. He advised using simple language that is intelligible to the prospect. He said the agent helps people to cultivate the long view of life. The constitution and by-laws recommended by the National association were adopted.

Columbia, S. C.—Roger B. Hull, general counsel National association, will talk March 18.

St. Louis—Frank Vesser, Reliance Life general agent, has been elected first vice-president to succeed Phil O. Works, general agent Penn Mutual Life, who has been transferred to Rochester, N. Y. Lester S. Becker, general agent Lincoln National Life, has been elected a director.

Cleveland—Harry T. Wright, associate agency manager Equitable Society in Chicago, and trustee National association, will speak March 13, on "What It Takes to Become a Substantial Producer."

Colorado—The annual one-day sales congress will be held April 5 in Denver. Around 300 will attend. Bailey Cantrell, Capitol Life, will be chairman, with President Earl Davis as host.

Speakers will be Paul Speicher, Re-

search & Review; O. Sam Cummings, president National association on "The Essentials of Life Insurance Sales Success," and Harold J. Cummings, vice-president Minnesota Mutual Life.

Northern New Jersey—Plans for Life

Insurance Week are being made under direction of President L. D. Harrison. There will be a breakfast with two prominent speakers. Leading agents will address civic clubs. Stickers will be placed on automobiles and literature sent out.

LEGAL RESERVE FRATERNALS

Gives Source of Prospects

Securing Business Through Lodge Members Cited by F. B. Mallett Before N. F. C. in Chicago

Members of lodges offer an unlimited source of prospects for agents in the field of fraternal life insurance, stated F. B. Mallett, Protected Home Circle, Sharon, Pa., in addressing the field managers' section of which he is secretary-treasurer, at the mid-winter meeting of the National Fraternal Congress in Chicago.

"If the field worker spends time in the development of the lodge system, the return is commensurate to the amount of energy and effort expended and pays on a profitable dollar and cents basis," he said. "On the other hand it is a hopeful sign to find that certain members of our field workers can secure business in what might be termed the 'open market'. This should encourage us to increase the usefulness of our fraternal sales training course and other plans which we have for the better education and training of our field workers."

Gives Interesting Data

Mr. Mallett spoke on "Getting Members Through the Lodge System" and gave some interesting data on information secured in the field covering actual conditions. "I asked 18 of the best producing field workers of the Protected Home Circle as to the amount of adult insurance written for 1937 and found that a total of 1,525 members had been secured. An analysis of the work of each man showed that 49 percent was written by prospects furnished by lodge members, and 51 percent by contacts made by the deputies, or field representatives themselves," he said.

The rate of lapsation of the business secured through the lodge members as nearly as could be figured from the information secured from the 18 deputies showed the lapsation ratio was 40 percent in the case of business secured through lodge members and 26 percent through the deputies' own business. The more favorable rate of lapsation of business through the initiative of field worker is understandable because there is an opportunity for a better selection by the deputy over the business handed to him by the lodge members.

Source Not Exhausted

"The fact that calling on members would seem to be easier than calling on non-members would show this one source of prospects has not been exhausted and in these days of industrial unemployment when it is necessary to make more calls to get the proper production of new business, this factor is encouraging," he said. "The other side of the picture shown by the 51 percent written without the help of the membership should encourage us to continue

our study of prospecting, time control, daily planning of work, the more serious study of such courses as the fraternal sales training course."

In investigating production records of those circles making the largest net increases in membership in 1937, Mr. Mallett found that 55 circles made an increase of 20 or more members, with all but five being active. These were new circles, he said, the lodge activities not having been developed in comparison to the ability of the field force to write business and gain in membership. Such results show lodge activities assist a deputy in securing a considerable portion of new business, he concluded.

Neighbors of Woodcraft Active

Ray O. Walker, for the past two years general field supervisor Neighbors of Woodcraft, Portland, Ore., has finished the work of putting its business on a 3½ percent reserve basis. He is now opening his own office in the Weatherly building, Portland, and will serve as consultant and service man for fraternal.

Mrs. Minnie Hiner, grand guardian of the Neighbors of Woodcraft, states that all business has now been put on the 3½ percent basis. The fraternal was organized in 1897 and operates in nine western states. It has approximately \$500,000 of insurance in force. It is actively interested in developing a sales organization. Mrs. Hiner has been grand guardian since 1921. The association maintains a home for the aged at Riverside, Cal., which at present is taking care of 400 members.

Plan Michigan Convention

GRAND RAPIDS, MICH. — The Michigan convention of the Fidelity Life, Fulton, Ill., is to be held here in May, T. H. Badders, district manager, announced. About 2,000 members are expected to attend. The local lodges have a combined membership of 600. W. C. Below, national president, is expected to attend.

New Florida Manager

Miss Abbie Holden, as special representative, succeeds Miss Myrtle O. Crump as Florida state manager for the Woodmen Circle. Miss Crump has just resigned after 14 years in that post. Miss Holden has been district manager in Texas and Nebraska for seven years.

Hamm King's Counsel

Charles Hamm, treasurer of the Independent Order of Foresters, Toronto, has been appointed a king's counsel by King George.

Rock Island Goes on Air

Rock Island, Ill., was publicized nationally as an insurance center in a radio broadcast sponsored by the chamber of commerce. O. E. Aleshire, president Modern Woodmen of Rock Island and

What Is Legal Reserve Fraternal Life Insurance?

(This is the fourth of a series of advertisements outlining briefly a few characteristics of this type of protection—points that may not be generally understood by the otherwise well informed and intelligent fraternity of life insurance executives and salesmen.)

4. Social activities and charitable work are made available for those members who wish to take part. Many fraternal organizations operate homes for aged members or hospitals. Rapidly growing juvenile departments provide excellent opportunities for children to take part in lodge work and social events.

Like the record made by the legal reserve fraternal as a whole, it was never necessary for the Ben Hur Life Association to borrow money from the government or any other source to meet all cash demands.

BEN HUR LIFE ASSOCIATION

Established 1894

Home Office: Crawfordsville, Ind.

John C. Snyder,
President

Edwin M. Mason,
Secretary

PROTECTED HOME CIRCLE

SHARON, PA.

FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society

S. H. HADLEY Supreme President

L. D. LININGER, Supreme Secretary

SHARON, PA.

for many years prominent in Parker, Aleshire & Co., Chicago class 1 agency; Mrs. Grace W. McCurdy, head of the Royal Neighbors, another fraternal society, and R. D. Coburn, executive vice-president Bituminous Casualty, were speakers. The broadcast was part of a program welcoming Mr. Aleshire and Mrs. McCurdy, both of whom recently were elevated to their present posts.

Canadian Total in Force Now Set at \$174,384,095

OTTAWA, CAN.—Total business in force in Canada of Canadian fraternal societies was \$108,776,766 at the end of 1937, and of foreign fraternal societies \$65,607,329, or a total for fraternal societies of \$174,384,095, the Dominion insurance department reported. The figures were taken from annual statements.

E. W. Thompson Also Editor

E. W. Thompson, head of the Maccabees, Detroit, now is editor of the "Beehive," official publication of the society. E. L. Young, the editor for 34 years, retired. Mr. Young had the longest service of any Maccabees official, extending back more than 50 years as a supreme officer. He was elected chaplain in 1887.

Former Commander Named

A. W. Frye, former head of the Maccabees, has been named Maine and New Hampshire manager of that society with headquarters in Portland. Until nine years ago he had served the Maccabees for more than 30 years in state and national posts. Mr. Frye was president of the National Fraternal Congress presidents' section in 1930.

INDUSTRIAL

Massachusetts Bills on Industrial Insurance Heard

BOSTON—Half a dozen bills bearing on the relations of agents writing industrial life to their companies were given hearing by the insurance committee of the Massachusetts legislature. Israel Katz of Worcester made his annual appeal for an investigation of the industrial life companies. Gerald J. Connor, president of the Industrial Agents Union of Boston, a former Metropolitan Life employee, charged the life companies are opposing the organization of unions. Owen Gallagher, former state representative and industrial agent, pleaded again for his bill to relieve the agents from their lapse charges. Representatives of the Metropolitan, Prudential, John Hancock and Boston Mutual opposed the bills, stating the lapse charges prevented exploiting the public by cancelling and rewriting the insurance, and quoted figures to show that industrial agents earned from \$40 up per week. Counsel for the John Hancock stated the industrial agents of his company in Massachusetts earned \$43.17 weekly on the average. If the bill goes through, said the counsel, the agents' contracts would have to be altered and lower commissions paid.

With Prudential 30 Years

G. D. Patton, assistant superintendent Prudential at Woodbury, N. J., has completed 30 years' continuous service, nearly all of the time in New Jersey.

Nushno District Again on Top

The Detroit No. 2 district office of John Hancock, under Manager David Nushno, has won the president's trophy for the third time in four years. It is awarded for the highest general excellence among district offices. It will be awarded to the agency at a special ceremony in Detroit. A previous trophy, won by Detroit 2 for its 1934 and

1935 records, is permanently held by that office.

In 1912, Mr. Nushno joined the John Hancock as a Brooklyn industrial agent. Three years later he was made an assistant district manager there, and in 1923 was promoted to district manager at Detroit 2.

A. N. Mosby Advanced

A. N. Mosby, manager of the Goldsboro, N. C., district of the Durham Life, has been named manager of the Charlotte district, the largest district for the company in North Carolina.

New Grading of Companies by Insurance in Force

(CONTINUED FROM PAGE 2)

compose the "billion dollar" class. The Metropolitan retains first position with \$22,584,093,698, followed by the Prudential with \$17,546,614,985, which ranks first as to industrial with \$7,573,792,092 in force. Leading the exclusively ordinary companies is the New York Life with \$6,770,747,375 followed by the Equitable Society with \$6,734,531,661 and the Travelers with \$4,689,517,899. The John Hancock is sixth with \$4,099,237,552. These six remain in the same order as last year. The Aetna which made a big gain in group now ranks seventh, moving ahead of Northwestern Mutual. Mutual Life of New York, Sun Life of Canada, Mutual Benefit, Penn Mutual, Massachusetts Mutual, New England Mutual, Union Central and Connecticut General follow in order just as last year, completing the billion dollar class.

The Connecticut Mutual progressed to 17th place, passing the Provident Mutual which goes into 18th position. The Western & Southern advanced another notch into 20th place ahead of the General American which also advanced one place to 22nd position. The American National advanced into 24th position,

while the Phoenix Mutual attained 25th place. The National Life & Accident moved up a number of places to 27th just behind Pacific Mutual.

94 in 100-Million Class

There are now 94 companies in the 100 million dollar class as compared with 89 a year ago, those advancing into this group in 1937 being the Excelsior Life of Canada, Northern of Washington, Peoples Life of Washington, D. C., Protective of Alabama and the Provident Life & Accident.

The Occidental of California which reinsured the Guaranty of Iowa, attained 41st position, moving up five notches. Some of the other notable advances in rank are: Life & Casualty from 53 to 52; Pilot Life from 79 to 74; United Benefit from 83 to 76; Country Life from 89 to 82; Provident Life & Accident from 91 to 86; Protective of Alabama from 96 to 88; Peoples Life of Washington, D. C., from 95 to 90; Equitable of Washington, D. C., from 99 to 96; Home Beneficial from 104 to 100; Gulf Life of Florida from 107 to 102; and Washington National which moved up some 27 places to 105. State Farm Life moved some 11 places to 139, and Service Life, by reinsuring the Builders Life moved up nine places to 175.

Among other companies improving their standings are Business Men's Assurance, Columbian National, Continental Assurance, Guarantee Mutual, Monumental, Northwestern National, Pan-American, and Reliance Life. Three Canadian companies—the Crown Life, London Life and the Manufacturers also made advances in rank.

Map Arkansas Legislation

LITTLE ROCK—At the special session of the Arkansas legislature, which is scheduled to get under way by March 14, tentative plans call for submission of a bill to require foreign insurers to invest more of their funds in Arkansas bonds.

WOODMEN OF THE WORLD

Five Modern Legal Reserve Contracts

- Ordinary Life
- Twenty Payment Life
- Endowment at Seventy
- Twenty Year Endowment
- Family Income

These contracts are participating, and provide all standard non-forfeiture options.



Operating for almost fifty years in California, Oregon, Washington, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming.

Write for particulars to

PETER F. GILROY, President
1447 TREMONT PLACE
DENVER, COLORADO

STATEMENT OF FINANCIAL CONDITION

(From the Annual Report Submitted to the Iowa Insurance Department)

% ASSETS				LIABILITIES	
52.8	First Mortgage Loans	\$4,204,606.13		Net Tabular Mean Reserve	\$6,416,098.42
25.1	Bonds	1,998,032.19		Advance Premium and Interest	
4.7	Real Estate and Office Building	370,915.50		Payments	190,755.61
1.5	Real Estate Sold Under Contract	119,977.82		Reserve for Claims	131,392.95
8.9	Policy Loans	711,978.88		Dividend Accumulations	172,629.64
1.2	Interest Due and Accrued	97,248.36		Dividends Due and Unpaid	27,040.49
1.7	Cash in Banks and Office	139,245.05		Miscellaneous	27,441.50
4.1	Premiums Due and Deferred	322,451.80		Dividends Apportioned, Payable in 1938	210,000.00
100.0	Total Admitted Assets	\$7,964,455.73		Reserve for Contingencies	338,278.87
				Unassigned Surplus	450,818.25
				To Balance Assets	\$7,964,455.73

PROGRESS

Dec. 31	Insurance in force	Admitted Assets	Benefits Paid since Organization	Dividends Returned to Policyholders
1928	\$18,466,955	\$1,730,173	\$3,112,283	\$139,565
1929	24,142,492	2,230,255	3,227,868	203,724
1930	30,093,652	2,863,994	3,365,928	279,807
1931	33,123,877	3,628,873	3,492,146	373,663
1932	33,305,658	4,193,483	3,619,560	471,759
1933	33,571,232	4,727,361	3,762,314	569,648
1934	37,892,867	5,339,327	3,904,252	688,031
1935	44,328,674	6,001,370	4,104,652	789,892
1936	49,117,387	6,973,202	4,318,125	930,441
1937	55,325,207	7,964,456	4,533,932	1,204,909

MORTALITY EXPERIENCE

The following figures show the percentage of actual death claims paid, to the expected claims, on the basis of the American Experience Table of Mortality, for the past five years:

1933	35.65%
1934	33.49%
1935	41.94%
1936	36.99%
1937	33.37%

INTEREST EARNINGS

The following figures show the interest earnings on our investments for the past five-year periods:

1933	4.77%
1934	4.72%
1935	4.03%
1936	4.24%
1937	3.89%

LUTHERAN MUTUAL LIFE INSURANCE COMPANY, Waverly, Iowa

NEWS ABOUT LIFE POLICIES

—BY J. H. RADER—

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Metropolitan Scale Announced

Illustration Applicable to Present 3% Rates—Details After Fifth Year Not Given

Some time ago announcement was made of a reduction in the Metropolitan Life's "illustrative dividend schedule" for the year beginning May 1. The figures from this new scale are now available.

This illustration is applicable to present 3 percent rates only and since the 3 percent basis was adopted Jan. 1, 1933, there are comparatively few policies that will actually receive dividends on that basis in 1938.

In order to emphasize the illustrative nature of the new dividend schedule the company intends to publish only the first five dividends in regular order, then skip to the 10th, 15th and 20th with the intervening years shown only in the 20 year total.

The special "maturity," "mortality" and "settlement" dividends have been declared for payment again this year although on a somewhat reduced basis. The full schedule of these special dividends has not been released but it has been learned that the "maturity" dividend for the 15th year is to be \$25 per \$1,000 and \$50 for the 20th year. The 1937 schedule allowed \$30 and \$65 respectively. The schedules for the principal forms follow:

WHOLE LIFE \$5,000

Age	3rd Yr.	4th Yr.	5th Yr.	10th Yr.	20th Yr.	Yr. Totals
15	20.15	20.40	20.70	22.65	27.10	440.75
16	20.15	20.40	20.70	22.75	27.30	442.60
17	20.15	20.40	20.75	22.85	27.60	445.10
18	20.15	20.45	20.80	23.00	27.95	448.00
19	20.15	20.45	20.80	23.10	28.20	450.00
20	20.15	20.45	20.85	23.20	28.50	453.00
21	20.20	20.55	20.90	23.35	28.85	456.10
22	20.25	20.60	20.95	23.50	29.20	459.50
23	20.30	20.60	21.00	23.70	29.55	462.85
24	20.30	20.60	21.00	23.75	29.90	465.55
25	20.30	20.65	21.10	23.95	30.30	469.20
26	20.35	20.70	21.15	24.15	30.65	473.05
27	20.35	20.75	21.20	24.25	31.05	476.25
28	20.35	20.75	21.25	24.45	31.50	480.25
29	20.35	20.80	21.30	24.60	31.90	483.80
30	20.35	20.80	21.30	24.80	32.30	487.30
31	20.30	20.80	21.30	24.90	32.70	490.25
32	20.20	20.70	21.30	25.05	33.05	493.15
33	20.20	20.70	21.30	25.15	33.50	496.35
34	20.15	20.70	21.30	25.30	33.85	499.65
35	20.10	20.65	21.30	25.50	34.30	503.05
36	20.05	20.65	21.30	25.65	34.75	506.95
37	19.95	20.60	21.25	25.80	35.15	509.80
38	19.95	20.55	21.25	25.95	35.55	513.65
39	19.95	20.60	21.35	26.25	36.10	518.80
40	19.95	20.65	21.45	26.50	36.65	524.25
41	20.05	20.80	21.55	26.85	37.20	530.70
42	20.15	20.90	21.70	27.15	37.80	537.25
43	20.20	21.00	21.85	27.45	38.40	543.90
44	20.45	21.25	22.15	28.00	39.15	553.55
45	20.70	21.60	22.55	28.55	39.95	564.30
46	21.05	21.95	22.95	29.20	40.80	576.10
47	21.50	22.45	23.45	29.90	41.75	590.05
48	22.00	23.00	24.00	30.65	42.75	604.65
49	22.65	23.65	24.75	31.65	43.90	622.65
50	23.45	24.45	25.60	32.65	45.15	642.30
51	24.30	25.40	26.50	33.80	46.50	664.35
52	25.35	26.45	27.65	35.15	48.00	689.20
53	26.45	27.60	28.85	36.55	49.55	716.65
54	27.75	28.95	30.20	38.15	51.35	745.70
55	29.15	30.40	31.75	39.90	53.20	778.05
56	30.80	32.05	33.40	41.80	55.30	813.80
57	32.55	33.85	35.25	43.70	57.50	853.15
58	34.50	35.80	37.30	46.10	59.95	894.80
59	36.55	37.95	39.40	48.50	62.45	939.15
60	38.80	40.25	41.75	51.05	65.25	987.60
61	41.25	42.70	44.30	53.80	68.25	1039.25
62	43.80	45.30	46.95	56.65	71.35	1093.75
63	46.55	48.10	49.80	59.70	74.70	1151.70
64	49.45	51.05	52.80	62.90	78.20	1212.80
65	52.55	54.20	56.00	66.30	81.95	1278.00

WHOLE LIFE PAID-UP AT 85

Age	3rd Yr.	4th Yr.	5th Yr.	10th Yr.	20th Yr.	Yr. Totals
10	3.17	3.21	3.26	3.57	4.36	66.81
15	3.52	3.57	3.63	3.99	4.94	74.98
20	3.92	3.98	4.05	4.49	5.61	84.52
21	4.02	4.08	4.15	4.61	5.78	86.78
22	4.12	4.18	4.25	4.73	5.95	89.04
23	4.22	4.28	4.35	4.85	6.12	91.30
24	4.32	4.38	4.45	4.97	6.29	93.56
25	4.42	4.48	4.55	5.09	6.46	95.82
26	4.52	4.58	4.65	5.21	6.63	98.08
27	4.62	4.68	4.75	5.33	6.80	100.34
28	4.72	4.78	4.85	5.45	6.97	102.60
29	4.82	4.88	4.95	5.57	7.14	104.86
30	4.92	4.98	5.05	5.69	7.31	107.12
31	5.02	5.08	5.15	5.81	7.48	109.38
32	5.12	5.18	5.25	5.93	7.65	111.64
33	5.22	5.28	5.35	6.05	7.82	113.90
34	5.32	5.38	5.45	6.17	8.00	116.16
35	5.42	5.48	5.55	6.29	8.17	118.42
36	5.52	5.58	5.65	6.41	8.34	120.68
37	5.62	5.68	5.75	6.53	8.51	122.94
38	5.72	5.78	5.85	6.65	8.68	125.20
39	5.82	5.88	5.95	6.77	8.85	127.46
40	5.92	5.98	6.05	6.89	9.02	129.72
41	6.02	6.08	6.15	7.01	9.19	131.98
42	6.12	6.18	6.25	7.13	9.36	134.24
43	6.22	6.28	6.35	7.25	9.53	136.50
44	6.32	6.38	6.45	7.37	9.70	138.76
45	6.42	6.48	6.55	7.49	9.87	141.02
46	6.52	6.58	6.65	7.61	10.04	143.28
47	6.62	6.68	6.75	7.73	10.21	145.54
48	6.72	6.78	6.85	7.85	10.38	147.80
49	6.82	6.88	6.95	7.97	10.55	150.06
50	6.92	6.98	7.05	8.09	10.72	152.32
51	7.02	7.08	7.15	8.21	10.89	154.58
52	7.12	7.18	7.25	8.33	11.06	156.84
53	7.22	7.28	7.35	8.45	11.23	159.10
54	7.32	7.38	7.45	8.57	11.40	161.36
55	7.42	7.48	7.55	8.69	11.57	163.62
56	7.52	7.58	7.65	8.81	11.74	165.88
57	7.62	7.68	7.75	8.93	11.91	168.14
58	7.72	7.78	7.85	9.05	12.08	170.40
59	7.82	7.88	7.95	9.17	12.25	172.66
60	7.92	7.98	8.05	9.29	12.42	174.92
61	8.02	8.08	8.15	9.41	12.59	177.18
62	8.12	8.18	8.25	9.53	12.76	179.44
63	8.22	8.28	8.35	9.65	12.93	181.70
64	8.32	8.38	8.45	9.77	13.10	183.96
65	8.42	8.48	8.55	9.89	13.27	186.22

Age	3rd Yr.	4th Yr.	5th Yr.	10th Yr.	20th Yr.	Yr. Totals
38	5.77	5.88	6.01	6.90	8.95	130.81
39	5.89	6.01	6.15	7.07	9.18	133.98
40	6.01	6.13	6.28	7.23	9.41	137.17
41	6.13	6.25	6.40	7.39	9.64	140.36
42	6.25	6.37	6.52	7.55	9.87	143.55
43	6.37	6.49	6.64	7.71	10.10	146.74
44	6.49	6.61	6.76	7.87	10.33	149.93
45	6.61	6.73	6.88	8.03	10.56	153.12
46	6.73	6.85	7.00	8.19	10.79	156.31
47	6.85	6.97	7.12	8.35	11.02	159.50
48	6.97	7.09	7.24	8.51	11.25	162.69
49	7.09	7.21	7.36	8.67	11.48	165.88
50	7.21	7.33	7.48	8.83	11.71	169.07
51	7.33	7.45	7.60	8.99	11.94	172.26
52	7.45	7.57	7.72	9.15	12.17	175.45
53	7.57	7.69	7.84	9.31	12.40	178.64
54	7.69	7.81	7.96	9.47	12.63	181.83
55	7.81	7.93	8.08	9.63	12.86	185.02
56	7.93	8.05	8.20	9.79	13.09	188.21
57	8.05	8.17	8.32	9.95	13.32	191.40
58	8.17	8.29	8.44	10.11	13.55	194.59
59	8.29	8.41	8.56	10.27	13.78	197.78
60	8.41	8.53	8.68	10.43	14.01	200.97
61	8.53	8.65	8.80	10.59	14.24	204.16
62	8.65	8.77	8.92	10.75	14.47	207.35
63	8.77	8.89	9.04	10.91	14.70	210.54
64	8.89	9.01	9.16	11.07	14.93	213.73
65	9.01	9.13	9.28	11.23	15.16	216.92

RETIREMENT INCOME AGE 60 (FEMALE)

Age	3rd Yr.	4th Yr.	5th Yr.	10th Yr.	20th Yr.	Yr. Totals
15	1.96	2.61	3.07	4.02	6.55	79.51
25	2.73	3.66	4.35	5.85	9.89	116.97
35	3.82	5.12	6.22	8.79	15.86	179.12
45	5.53	8.40	10.52	15.78	.....	.....

RETIREMENT INCOME AGE 65 (FEMALE)

Age	3rd Yr.	4th Yr.	5th Yr.	10th Yr.	20th Yr.	Yr. Totals
15	2.34	2.87	3.24	3.93	5.78	75.93
25	3.07	3.86	4.34	5.41	8.27	105.58
35	3.86	4.96	5.76	7.51	12.20	141.77
45	4.81	6.70	8.07	11.24	19.45	203.18
55	9.24	13.48	16.61	24.56	.....	.....

*Includes Maturity Dividend.

ENDOWMENT AGE 65

Age	3rd Yr.	4th Yr.	5th Yr.	10th Yr.	20th Yr.	Yr. Totals
20	3.10	3.60	3.95	4.57	6.18	86.67
25	3.56	4.15	4.56	5.33	7.33	101.37
30	4.05	4.74	5.24	6.20	8.47	118.65
35	4.51	5.17	5.78	7.00	10.18	135.02
40	4.94	5.72	6.49	8.09	12.26	157.38
45	5.05	6.42	7.48	9.64	15.50	204.25
50	5.79	7.75	9.17	12.31	.....	.....
55	8.16	11.19	13.41	18.71	.....	.....

RETIREMENT INCOME AGE 60 (MALE)

15	2.10	2.72	3.15	4.03	6.35	79.04
20	2.42	3.14	3.67	4.76	7.68	94.03
25	2.84	3.73	4.37	5.76	9.47	114.33
30	3.37	4.47	5.27	7.06	11.89	141.07
35	3.70	5.11	6.14	8.50	15.00	172.20
40	4.22	6.09	7.47	10.74	*95.76	296.36
45	5.47	8.14	10.11	14.94	....	....
50	8.60	12.85	16.02	24.11	....	....

SALES IDEAS AND SUGGESTIONS

Better Sales Technique, Tax Opportunities Stressed

DETROIT—The sale of life insurance is a great deal easier today than it was 20 years ago, Seth W. Ryan, Penn Mutual general agent, told 150 life underwriters, bankers and accountants at the second of a series of tax lectures given by Hugh C. White, Detroit general agent Connecticut Mutual Life.

The only objection today is "I can't afford it", while years ago prospects had to be sold on the merits of life insurance, its safety and the company's ability and willingness to pay its just claims, he declared. The greatest difficulty of modern underwriters is fear—fear in themselves and of themselves, of the trend of the times and of their ability to sell under present conditions, said Mr. Ryan.

Always Paid Claims

No agent needs to take a beating on this score, he said. "Life insurance has always paid out dollar for dollar of its just claims. Is the prospect afraid? He should be if he is not enjoying the protection of life insurance. The average prospect is more afraid of you than you are of him. He is afraid that you will sell him something."

"Two of our greatest enemies are procrastination and competition for the prospect's dollar. Too many people would rather have luxuries today than necessities tomorrow, than safety in the future. There is more hazard in living and being dependent than in dying. We must get that idea over to our prospects."

Direct Mail Helps

"One of the aids to more sales that too many of us overlook almost entirely is direct mail advertising. Back in the days I found that my direct mail advertising yielded me \$49 for every dollar invested in it. The salary savings plan is another aid to larger volume that is often overlooked. This plan is a lifesaver for beginners and old timers in the business alike."

"There are ten points that I would like to stress to you. First, improve your competitive technique. From 15 percent to 20 percent of your business will be in competition with other agents. Be sure you know just what you are doing when you enter into competition. Second, strive for more prepayments. Third, have more insurance issued on each case than your prospect applies for. If you sell a man \$3,000, take another \$2,000 along and you may place it. If your prospect buys \$10,000, take an extra five along. It often works."

Do More Evening Work

"Fourth, do more evening work. By that I don't necessarily mean more evening selling, but increase your circle of friends and acquaintances as much as you can through social contacts. It pays. Fifth, watch your age changes. A large proportion of all business is sold on the age change. Don't assume that your clients know when their age change occurs and will get in touch with you if they want more insurance. The fact is in our agency 24.3 percent of our business is written in the month before the age change and 33.8 percent of the production is written within 60 days before age change."

"Sixth, help others as much as you can, reciprocate with your clients. If you know of someone who wants to buy a house and you have a client in the real estate business, give him the tip. Clients remember such things, even the small ones. Seventh, every agent should

make an honest effort to qualify for his company's production clubs. Eighth, spend at least 10 percent of your time soliciting business insurance. Ninth, do more programming and tenth, organize your own personal activities better," said Mr. Ryan.

TAX OPPORTUNITIES

The past two years have seen a rather drastic change in the theory underlying corporate taxation, Donald P. Kipp, tax attorney, said in his talk on "Corporate Taxation and Life Insurance." The imposition of the relatively new corporate surtax has placed an entirely different complexion upon the conduct of business by means of the corporation. It is impossible to forecast with certainty just what the results of this tax will be over a period of time, but it is certain that with the tax condition in its present shape, future expansion of business by investment of profits will become virtually impossible.

Taxes Major Problem

Insofar as the life insurance man is concerned, his knowledge of corporate taxation is particularly useful to him only after it is directed in the right channels and for the proper purposes. Most corporate executives with whom the agent comes into contact are faced with taxation as their major problem. A good life insurance man who knows tax problems is far better equipped to understand the problems confronting the corporation and to assist, insofar as it is ethically possible for him to do so, in working them out.

Another result of the corporate surtax has been the wholesale dissolution of corporations during the past year and the formation of partnerships instead. Obviously, the formation of a new partnership offers the life insurance man an opportunity to propose partnership insurance. Certainly the partnership is much more vulnerable from the standpoint of continuation of business in case of the death of a partner than the corporation is in event of the death of a stockholder. The effect of the surtax on small and medium sized businesses should be watched closely and the life man should familiarize himself with every corporate dissolution in these troublesome times.

Can't Afford It

One finds the argument that a corporation cannot afford to invest in life insurance upon its key men because the premiums are not deductible for income tax purposes if the corporation retains an interest in the policies, said Mr. Kipp. There is some merit to this contention, although life insurance is no different in this respect than any other property in which the corporation might invest its earnings.

The commanding argument in favor of life insurance in such cases is that upon maturity of the contracts the death proceeds may be received by the corporation free from income tax notwithstanding the fact that there may be considerable increment in value over and above the purchase price. In this respect the operation of life insurance is unique. It is the only corporate investment which may yield capital gain to the corporation without the necessity of the corporation paying income tax on such capital gain. For corporate executives who take a long term view of their business, it would seem that corporate

life insurance is the answer to the problem of building up substantial corporate surplus with dollars which are tax free.

Life insurance programs intended to accomplish this end should involve a diversification of the risk over as many lives as possible so that the moneys which become payable when the policies mature will accrue gradually to the corporation. By this arrangement in later years the program may become self-sustaining in that premiums on the policies still in force may be paid from the proceeds of the policies which have matured. There are also many types of short-term endowments which are excellent investments for a corporation because of their extreme safety and complete liquidity, notwithstanding the fact that the profit in such policies must be reported for purposes of income tax upon their maturity.

Should Consider Future

Many small and medium sized businesses which have grown largely from the efforts of one man may be approached from the standpoint of corporate insurance to protect the firm against the hazard of losing its guiding genius. As a matter of good business practice in approaching these cases the underwriter

should consider the future and determine whether or not the business could succeed without the personal efforts of the key man. If the business is doomed to failure regardless of the amount of money the business may have at the death of a key man, then the case is not one for key man insurance. Rather, it becomes a case for a large personal program on the key man's life in order to protect his family and dependents for his life value and for the value of the business which was dependent upon him.

Code Is Suggested

The following code should serve the underwriter well in these cases: (1) Let the underwriter study this subject so that he is in a position to converse with the corporate executives and stockholders and understand their problems; (2) Let the underwriter counsel, advise and point out the needs and uses of life insurance in connection with the corporate structure and functions and (3) Let the underwriter be constantly ready to turn immediately to personal programs in situations where the corporate programs are not feasible or meet insurmountable obstacles, Mr. Kipp suggested.

Cites Freedom from Risks in Life Insurance

Miss Vera Reynolds of the P. B. Hobbs agency, Equitable Society, Chicago, brought out some interesting data in speaking before the Madison (Wis.) Association of Life Underwriters on "Why I Buy Life Insurance." In comparing other forms of investments to life insurance she cited an advertisement of a well known investment firm which brought out the highlights and past activities in the stock and bond market.

The signer of the advertisement, Robert Lovett, said that if all the bad practices of investment dealers and bankers are stamped out, the fundamental reasons for insecurity of stocks and bonds will remain. He pointed out that corporations die just like human beings and that "security" means freedom from risk and yet our so-called "securities"—stocks and bonds—are only paper evidences of debt or ownership, both "bristling with risk."

Die From Many Causes

Miss Reynolds further quoted from Mr. Lovett: "Businesses die of old age, or have a fatal heart attack from fright, are killed by epidemics of paralysis or taxation or are murdered by hit and run politicians, meet the sudden accidental death of new inventions, or have a fatal accident from taking reckless chances, are choked to death by poor or dishonest management, commit suicide because they are hungry and life is not worth living—whatever the reason, they die."

Most Popular Bonds

The advertisement commented, said Miss Reynolds, that if an investor had bought 100 shares each of the 20 most popular stocks in 1901 and had held them to 1936, they would have shown a shrinkage of 39 percent. Between 1901 and 1926 (considered by many as normal good years), the capital loss would have been 6 percent. Between 1901 and 1936, five of the 20 companies, or 25 percent, went into the hands of receivers, and 10, or 50 percent, showed a shrinkage of 50 percent or more as compared with their cost. If a person had invested \$10,000 in each of the 20 best bonds in 1901, the capital investment would have shrunk 4 percent in 1936. Between 1901 and 1926, the capital shrinkage would have been 6 percent.

Of these 20 bonds in 1936, seven issues showed losses, 13 showed gains and five of the seven were in default.

Mr. Lovett, she said, took the 20 popular bonds in 1910—out of 16 railway bonds, five were in default within seven years; two of the three public utility bonds defaulted in 10 years. By the end of 1936, eight of these companies were bankrupt. By 1919, the advertisement showed, only two railroad stocks were in the favored list and no public utility and only two copper stocks; auto stocks and steels were coming up in popularity. Between 1919 and 1936, out of 100 shares each in 20 companies, the total capital gain was 17 percent, but this was because of the great gain in General Motors, while two of the auto stocks went bad. Leaving out General Motors, the other 19 stocks showed a 38 percent loss, and for other years the record would be similar. Mr. Lovett also pointed out that even governments default on their own obligations—our own government repudiated our gold bonds, and emphasized strongly that stocks and bonds are not meant to be put away and forgotten, but must be watched intelligently and changed as needs be. "No investment," he said, "is permanent."

Institutional Investments

In concluding this summary, Miss Reynolds gave the following four reasons why she preferred institutional investments through insurance companies: (1) Expert investors to watch my investments. I can't hire an expert in every field to disinterestedly watch my investments; but that is exactly what a life insurance company does. (2) I haven't \$200,000 to invest. I am unable to make sufficient spread to retrieve my losses if they can be retrieved, but an insurance company can. I can't afford to lose on one investment. (3) Insurance companies can wait for a certain type of investment to come back. (4) They are the only financial institutions that base their calculations on anything but interest rates and earnings.

She said we are living in a time of change and uncertainty. "I cannot plan for different economic and political order because I do not know what to plan for. I can only plan for the future

in the only world I know. If our order goes to pieces, insurance companies will go, but all other forms of investment will have gone, too. The best provision I can make for the future is to put my money in the hands of a company, not operating for the private gain of owners or stockholders, under government supervision, experts in investing money in all of the fundamental kinds of wealth in the country, watch economic and industrial changes and changing investments accordingly," she said. "Here I am relieved of the hazards of the individual investment and the ups and downs of certain types of investment at different times, and I am fortified by the large volume and distribution of investments, made in widespread localities and times and forms of wealth."

Must Educate Public

LANSING, MICH. — Responsibility of an agent to his community was emphasized by J. F. Johns, superintendent of agencies Reliance Life, in a talk to the Lansing Life Underwriters Association.

It is up to the life underwriter, Mr. Johns said, to apprise his community of the often unsuspected utility of life insurance in its widely varied phases in meeting both known and unknown future demands of the individual. Too many laymen, he said, think of life insurance in only its simplest terms, namely, the provision of a lump sum in cash to tide over a widow at the death of her husband. The underwriter's job, he emphasized, is to educate the public to the fact that there are few contingencies in life that may not be met much more easily through adequate insurance provision. Among the most useful forms of coverage, he cited, are those to provide for college education for the children of an insured and those provided for a trust income for a dependent widow instead of a single payment which may easily be dissipated by unwise investment.

Home Life Managers Meet

ST. LOUIS—The Home Life of New York held its annual mid-western convention for general agents here, with general agents from Chicago, Jackson, Miss., Oklahoma City, Minneapolis, Minn., New Orleans, Kansas City, Louisville, Detroit and Grand Rapids in attendance. The principal speaker was William B. Worthington, vice-president and superintendent of agencies.

The Ray Martin agency in St. Louis also held its annual agency meeting with Mr. Worthington and out of town general agents as guests.

AGENCY MANAGEMENT

Annual Trophy for Most Progressive Managers' Group

A handsome gold loving cup will be awarded annually, according to P. B. Hobbs of Chicago, chairman of the general agents and managers section of the National Life Underwriters Association, to that affiliated United States or Canadian managers association which, in the opinion of the managers section executive committee, shows the greatest record or progress for the current year, running from July 1 to June 30. This trophy is being presented by "Manager's Magazine," published by the Life Insurance Sales Research Bureau of Hartford. Associations will be rated on the basis of the following points: (1.) Increasing prestige of life insurance in the community; (2.) well planned program for year; (3.) outstanding program for an individual meeting; (4.) percentage actual membership of total number eligible; (5.) promotion and observance of ethical practices; (6.) legislative activities and accomplishments; (7.) assistance to local life underwriters or C. L. U.; (8.) educational activities for managers.

Address by Commissioner

Commissioner A. J. Rouillard of New Hampshire addressed the New Hampshire General Agents & Managers Association at Manchester. New examination blanks are being prepared with questions made more difficult for agency licenses. Higher passing grades will be required. Commissioner Rouillard said that action of this kind will benefit companies as much as the public by improving efficiency and gaining confidence on part of the buyers of insurance. Mr. Rouillard was introduced by Joseph Lanigan, president of the association. Other speakers were Abraham Shoul, secretary, John W. Coyne and Carl S. Nute of Manchester; W. E. Johnson, Jr., of Nashua and Arthur Mills of Dover. W. D. Haller of Concord, superintendent of agencies of the United Life & Accident, was introduced as was J. A. Wellman, dean of the New Hampshire general agents.

Vote Essay Contest Prizes

LOS ANGELES—Funds were voted by the Life Managers Association at its luncheon meeting to provide for local cash prizes in the essay contest sponsored by the National Association of Life Underwriters, in addition to the national and state prizes. The money was voted on request of C. E. Cleaton, general chairman. W. H. Moses, attorney, spoke on "Security Market and Federal Regulation." He said the problem of regulation is to find methods which preserve the valuable features of security markets and eliminate only vicious and undesirable practices.

MANAGEMENT

LIVING ASSETS

By A. R. JAQUA

Associate Editor Diamond Life Bulletins

Most of the company statements for the past year are in, pointing with pride to the increased assets consisting of bonds and mortgages.

Is it, then, that the agency force and the good will they have built up are not assets? One looks in vain on any company statement for the inclusion of the field force as an asset. In other words, company statements list the receivership value; they do not attempt to list the value as a going concern.

And yet the value of a business as a going concern is vastly different from the value of a business sold under the hammer. If you want to know whether

a company really believes its statement, go out and try to buy that company for the price of its admitted assets less liabilities.

Sometime ago a company got into trouble because of financial shenanigans by some of its executive officers. The trouble was not fatal because the deficit was not great in proportion to the total assets and no one worried much about it—until the agency force began to leave. When the boys in the field finally realized that they had been slightly duped and began to resign in bunches, then there was real concern at the home office. But why the concern if the field force is not an asset?

Was Charles M. Schwab wrong when he said he was not worried about the possible destruction of his great properties—"but if some catastrophe should destroy at one stroke the personnel of our organization, I would consider myself a ruined man." Was King C. Gillette wrong when he said "the real wealth of the company is in its brain power, in its men and women of unusual vision and ability, and in the good will its products enjoy in the minds of people."

Would Still Have Billion

For example, let us suppose that the entire agency force of the Northwestern Mutual left it tomorrow. They would still have a billion of assets, and they could still pay out claims as they arose and have something left over. But how much money would it take to replace 5,000 fighting men of fanatic loyalty; and how much good will would the company lose while that force was being built up with no agents and no advertising calling upon people to keep the name "Northwestern Mutual" before them?

Many a company, when it holds its

annual convention down south will permit its officers, its managers and general agents and its leading agents to travel on one train. They split the party up so that in case of catastrophe all will not be lost. But why this concern if these men are not an asset?

Managers a Real Asset

Again, the investment vice-president doesn't lose any sleep if some other company buys a quarter of a million of bonds which the vice-president would have liked to purchase, but the agency vice-president will swear by all that holy if someone proselytes a couple of his good managers or leading producers. Why this difference if the securities are an asset and the men are not?

Should not the financial solvency of a life insurance company be pretty well taken for granted? Due to the set-up it doesn't require financial genius to keep a life company solvent, rather you have to work at it to make it insolvent. But to build up an agency force that will keep a continuous flow of reasonable quality business rolling into the home office—that's something else again. To select, train and motivate a sales force that will produce good business at a minimum cost and build good will for a company—is that not building an asset?

Good Will Audit

Would it be possible to have in company statements the opinion of impartial auditors as to whether that company had gained or lost in good will during the past year; whether it had gained or lost in well-established branch outlets; whether it had gained or lost in quality of personnel in both the home office and field; whether it had gained or lost in the number of qualified successful representatives; whether it had gained or lost in public good will?

Perhaps these things are not possible or practicable. But they would be interesting, don't you think?

VIEWED FROM NEW YORK

By R. B. MITCHELL

Small Speculator Usually Does Wrong Thing Is Belief

If the Securities & Exchange Commission proves to be right in a survey it is making, life agents will have some heavy artillery to use against the prospect who thinks he can invest his money better than by putting it into life insurance.

The SEC is working now in Wall Street compiling statistics with the idea of proving its thesis that the small speculator is practically always wrong. Questionnaires covering small margin accounts have been sent to a number of the large commission houses and an SEC official is following up these queries by interviews. One subject of the survey is to find out how much it would cost to make similar reports periodically.

The SEC is pretty well convinced that the small speculator usually does just the wrong thing. He jumps into a bull market just as it is approaching its peak and then hangs on until the market breaks and is close to bottom. This idea is not exactly new but the statistical documenting of it is decidedly novel.

The cost of furnishing such information periodically is what the brokerage houses don't like about the survey. Business is slack in Wall Street at the moment. There is plenty of spare help to handle the extra work involved on the relatively small amount of business now being done. However, when the market becomes more active it might be necessary to hire additional help merely to supply these periodical reports to the SEC.

While it is difficult to get people to stop gambling, whether it is horses, slot machines, or the stock market, by showing how tremendous the odds are against the speculator, it may well be that the figures compiled by the SEC will at least

demonstrate to the man who thinks he is investing when he puts his money in the stock market that he is really gambling and should limit his "investments" in Wall Street to what he can afford to lose.

Brooklyn General Agent of Massachusetts Mutual



H. B. WENDELL

H. B. Wendell, new Brooklyn general agent of the Massachusetts Mutual, entered life insurance in 1919, and for the past 15 years he has been closely associated with home office work. He is active in the Life Underwriters Association of New York City, having served on its membership committee.

In 1936 his Brooklyn unit produced \$1,300,000 of business, 12½ percent being from new organization. The volume was repeated in 1937, again with an appreciable volume coming from new agents.

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